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NEWS SUMMARY

GENERAL

Muzorewa accepts British proposals

Britain's new draft constitution for Zimbabwe has been accepted by the Salisbury delegation to the Lancaster House conference, Bishop Muzorewa announced last night.

Bishop Muzorewa said the delegation would agree to a fresh round of pre-independence elections under British supervision but added that his acceptance of the constitution was subject to "suitable and satisfactory" arrangements being agreed to bring it into effect.

He repeated his earlier demand, already rejected by the British Government, that Britain should now "meet its legal and moral obligation" by lifting sanctions immediately. Back Page

French N-plants held up for tests

The French electricity generating board has been forced to back down on plans to fuel two nuclear power stations after trade union insistence on safety checks.

The board said it had changed its programme for the plants at Gravelines, near Dunkirk and Tricastin in the south-east, so that there could be further tests. Back Page

Ceasefire support

The Palestine Liberation Organisation has said it will support the ceasefire in south Lebanon called by UN forces a month ago. Back Page

Times setback

Members of the National Graphical Association at Times Newspapers will today press for a resumption of pay negotiations before the company's newspapers start publishing again. Page 4

Pensions case

The European court in Luxembourg is being asked to decide whether the different treatment of men's and women's pensions in England is a breach of the Treaty of Rome. Back Page

Carter re-election

President Carter intends to announce on December 4 that he will seek re-election, the White House said. After making his announcement he will start a series of trips in the U.S.

Conference ends

The Labour Party conference in Brighton ended with a traditional display of unity but with the prospect of the struggle for party control between Mr. Callaghan and the Left-Wing continuing throughout the coming year. Back Page; Conference reports, Page 4

Kampuchea aid

The International Red Cross and the United Nations Children's Fund are to launch a £46m programme of emergency food and medical aid for Kampuchea.

Fishermen drown

Six men were presumed drowned after the Grimsby trawler Margrethe Bojens capsized and disappeared in a North Sea gale.

Murder charge

David Octavius James, a 19-year-old unemployed labourer of Trowbridge, Wiltshire, was remanded in custody charged with the murder of Pc Desmond Kellam on Wednesday.

Briefly . . .

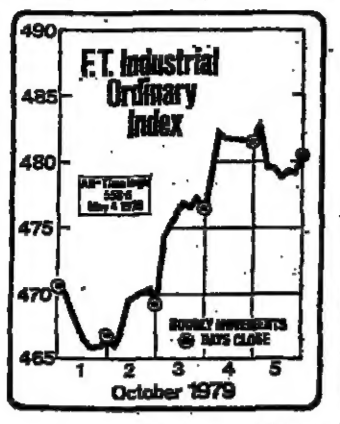
Third man has died following an explosion at the Goodyear tyre factory at Wolverhampton on Wednesday.

Bomb killed one person and injured 35 in the bazaar in the port of Khorramshaar in Iran's oil-rich Khuzestan province.

BUSINESS

Equities mixed; Gold recovers

● **EQUITIES closed narrowly mixed at the end of the Account, which saw good volume of trading. The FT ordinary index closed 1.0 down at 480.4, making a rise of 20.1 on the Account.**



● **GILTS traded quietly with the Government Securities index closing unchanged at 72.51.**

● **STERLING fell 60 points to $2.1815 and its trade-weighted index eased to 68.8 (69.0). The dollar's index was 84.2 (84.1).**

● **GOLD fell sharply yesterday morning, continuing the shake-out of the two previous days, and touched a low of $363½ an ounce, before climbing more than $20 to close $5 up in London at $387½ in heavy trading. The net week's outcome was to lower the gold price by $10, disguising the fact that gold had touched $447 at one moment on Tuesday.**

● **WALL STREET was 8.71 up at 898.81 just before the close.**

● **FIRST INTERNATIONAL** rubber agreement has been concluded between 55 of the world's leading producers and users of natural rubber.

● **QUEBEC** Government has said it will proceed with the expropriation of the Asebstos Corporation, but only after constitutional issues are resolved. Page 29

● **OPEC** meeting in Vienna heard a call for using a basket of currencies for calculation of regular adjustments to oil prices, because of the continued weakness of the dollar. Page 2

● **TWO** of France's leading private-sector banks have raised their base lending rates by a further 0.3 per cent to 11.05 per cent, the highest for four years. Page 2

● **BP** has made a new oil discovery in the North Sea, close to the Andrew Field, 140 miles north-east of Aberdeen. Page 3

● **OVERSEAS** visitors spent £708m between April and June compared with the first three months of the year, according to seasonally adjusted figures from the Department of Trade.

● **E. MARTIN AND SONS**, one of Britain's larger independent wholesale newsagents is to cease trading at the end of November, blaming industrial action in Fleet Street. Page 3

● **PRUDENTIAL** Corporation's new top executive is to be Mr. Brian Corby.

COMPANIES

● **AVERY**, the weighing machine group, reports pretax profits up from £6.11m to £7.17m. The directors launched a strong attack on the £90m takeover bid from GEC. Page 20 and Lex

● **COMBINED ENGLISH STORES** pre-tax surplus for the 28 weeks to August 11 fell to £401,000 against £1.69m. Page 20

Mrs. Thatcher in campaign to cut contribution to EEC

BY RUPERT CORNWELL IN ROME

Britain "simply cannot go on being Europe's biggest benefactor," Mrs. Margaret Thatcher, the Prime Minister, said in Rome yesterday.

She was opening an all-out offensive in Europe to secure a cut in the UK's contribution to the EEC Budget—the issue which will dominate the forthcoming European Council meeting in Dublin on November 29 and 30.

Speaking during a two-day visit to Italy, the UK's most natural ally in the struggle, the Prime Minister emphasised that the Dublin talks must provide at least a firm commitment for an early cut in Britain's estimated net budget contribution of £1bn in 1980.

She indicated that she would favour a straight cash refund to help correct the imbalance. "We can't play a full role in Europe until we get rid of this problem," she said.

Her talks here with Sig. Francesco Cossiga, the Italian Prime Minister, will be followed by separate bilateral talks with Chancellor Helmut Schmidt of Germany and M. Valery Giscard d'Estaing, the French President, upon which hopes of a satisfactory compromise in Dublin hinge.

The Italian reaction was distinctly sympathetic. But the chances of a firm common front between the two countries at the heads of government meeting have been dimmed by the Brussels commission study showing ~~that Italy~~, far from being badly treated under the budget, might enjoy a £600m surplus next year.

Rome's priority is therefore less the financial mechanism of the community than the need for changes in the farm policy and in particular much greater EEC regional aid for Italy.

British officials yesterday rejected any suggestion that entry of sterling into the European Monetary System might be offered as a quid pro quo for a favourable deal on the budget.

Indeed Mrs. Thatcher seems instinctively sceptical of the merits of British participation. She declared yesterday that sterling was now a "petro-currency." This meant that Britain faced a unique problem of currency management.

To underline her belief that the influence of governments was much less than generally perceived, she argued that only technical intervention, to smoothe out the excessive swings in an exchange rate was feasible.

"You can't beat the market," she said — an unmistakable reference to the latest realignment forced on countries participating in the EMS.

On East-West matters, the two leaders emphasised the need for a speedy conclusion to NATO discussions in the siting of new Cruise and Pershing nuclear missiles in member countries including Britain and Italy, in response to the steady Soviet arms build-up. They also underlined the need for prompt ratification of the SALT-2 agreement between Washington and Moscow.

Union hopes to capitalise on engineering pact

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

ONE OF the biggest unions involved in this week's breakthrough on working hours in the engineering industry is to send guidance to its negotiators telling them to build on the achievement elsewhere.

Mr. David Basnett, general secretary of the General and Muncipal Workers, said yesterday that his union would "capitalise" on the engineering agreement "to make even more effective advances in other sections of industry."

The engineering settlement, which will reduce the working week from 40 to 39 hours in two years, is certain to increase the pressure for similar agreements in other negotiations in this winter's pay round.

Employers will be relieved that the settlement is part of a four-year package with the 39-hour week deferred until 1981. However, it is regarded by unions in Britain and Europe as an agreement which will ease the way to further victories in the fight for a shorter working week.

Mr. Herman Rebhan, general secretary of the International Metalworkers Federation—the international body co-ordinating engineering unions—yesterday said the settlement was "one of the most important trade union victories since the war for industrial workers throughout the world."

In a telegram to Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, he said that the settlement would be "used as a rallying cry in the rest of the world."

Ministers accept that it will be used as a lever to achieve shorter working time in other negotiations. There was no formal comment yesterday from the Government or the CBI, which publicly supported the Engineering Employers Federation in its resistance to the union claim during the dispute.

Engineering employers yesterday emphasised the value to them of the four-year agreement on holidays, the working week and other non-pay items. Disappointment was expressed in some quarters that the EEF had settled on these terms—and particularly the concession on the working week. Others said they could see no reason why such an agreement could not have been signed three months ago.

GEC, the company whose "leaked" memo about its intentions to withdraw progressively from the EEF probably did much to hasten the settlement, will not make any statement until next week. Sir Peter Matthews, managing director of Vickers, said he was "delighted that this unnecessary and expensive strike is over."

Continued on Back Page
Aftermath of the settlement, Page 18

Joseph cool on BL cash hopes

BY ARTHUR SMITH

SIR KEITH JOSEPH, the Industry Secretary, told union leaders yesterday that he would "take some convincing" that BL should be given additional State finance.

Mr. Ken Baker, president of the Confederation of Shipbuilding and Engineering Unions, led a delegation to urge Sir Keith to provide £700m more to prevent the proposed loss of 25,000 jobs at BL.

Mr. Baker said: "He told us he would take some convincing about the £225m outstanding, let alone any more."

Sir Keith drew the union leaders' attention to the policy laid down by the Labour Government, that the total of £1bn State finance would be conditional on performance. The final £225m of that allocation is due to be drawn next year.

To go beyond the £1bn limit would be a matter not only of convincing himself, but the whole Conservative Government.

Sir Keith's tough comments give little encouragement to Sir Michael Edwardes, the BL chairman, and Sir Leslie Murphy, the National Enterprise Board chairman, who saw the Industry Secretary earlier in the day.

BL is thought to be looking for an additional £200m to cover the cost of Sir Michael's revised strategy.

Such sums would be necessary to recover the redundancy and rationalisation costs, and to accelerate BL Cars' model programme.

Negotiations between BL management and the confederation executive were continuing last night.

Sir Michael has made clear that he would not recommend his board to seek further Government finance unless the unions support his plan, or present an alternative involving similar cost savings.

● A visit by Prince Charles to the Austin Morris complex in Birmingham, planned for the end of the month, has been postponed. The Prince's visit to Longbridge, where the new Mini Metro is to be built, was to be part of his learning about industry.

A Buckingham Palace spokesman said the October 29 visit had ben put off because BL was deeply involved in considering plans for its future, and would be more appropriate when its situation was clearer.

Ministers 'pledged to fight inflation'

By Peter Riddell, Economics Correspondent in Belgrade

M. JACQUES de Larosiere, managing director of the International Monetary Fund, claimed yesterday that there has been a major shift in the attitudes of governments towards fighting inflation.

He told the closing session of the IMF and World Bank's annual meeting in Belgrade that Ministers were much stronger in their determination to fight inflation than in any previous year, and showed much more unanimity than before.

M. de Larosiere claimed that among the factors which led to the fall in the price of gold this week had been "the orientation of Ministers to fight against inflation in a decisive way."

In contrast, "insufficient public trust in the strength of these policies" had contributed to the rise in the gold price earlier in the year.

The problems posed by inflation have been a central theme of this week's discussions. M. de Larosiere's comments highlight the shift in emphasis since 1974 to 1975, when several countries tried to cushion some of the impacts of higher oil prices rather than fight inflation as a top priority.

Ministers have been much more scetical about traditional demand management techniques than before, stressing the need to reduce inflationary expectations if there is to be any hope of a sustained economic recovery.

In this respect, the Conservative approach, as set out by Sir Geoffrey Howe, the Chancellor, is in line with attitudes overseas.

M. de Larosiere said inflation had to be dealt with, not only through decisive fiscal and monetary policies, but also through greater emphasis on supply policies directed towards longer-term structural problems.

He stressed the desire of many finance ministers for an active and strong IMF, and drew particular attention to suggestions about enhancing its surveillance functions over exchange rate and economic policies.

He hoped that IMF staff would be able to report "some-

Continued on Back Page
IMF meeting Page 2

£ in New York

—	Oct. 4	Previous
Spot	$2.1870-1880	$2.1850-1860
1 month	0.07-0.03 dis	0.38-0.34 dis
3 months	0.49-0.44 dis	0.69-0.64 dis
12 months	1.65-1.55 dis	2.35-2.25 dis

UK and Dublin make pact to beat terror

BY ELINOR GOODMAN, LOBBY STAFF

AGREEMENT WAS reached yesterday between the UK and Irish Governments on a series of measures which they hoped might lead to a significant reduction in terrorism in Northern Ireland.

The measures include:

More intensive patrolling on both sides of the 280-mile border between Northern Ireland and the Republic.

Improved co-ordination and communications between the Royal Ulster Constabulary and the Garda Siochana, the Republic's police.

An urgent study on how best the two police forces can co-operate.

Fuller use of existing legislation which allows terrorists to be tried on one side of the border for offences committed on the other. Inquiries have started to see how this can be done in a number of specific cases.

The hope is that the measures wil stop terrorists t[illegible] advantage of the border, either to evade arrest or commit criminal acts.

They were agreed at a five-hour meeting at which both sides reaffirmed their commitment to greater co-operation on security in general.

The agreement was described by Mr. Humphrey Atkins, the Northern Ireland Secretary, as "a considerable step forward" which could prove "remarkably effective" in combating terrorism.

Ultimately, he hoped, terrorism would be reduced to "insignificant proportions if the Irish and British Governments acted jointly to defeat it."

Nevertheless, it was recognised in Whitehall last night that peace was a long way off and that there was some risk that, in the short term, the agreement might provoke the IRA.

Yesterday's meeting of Mr. Atkins, Mr. Michael O'Kennedy, the Irish Foreign Minister, Mr. Gerard Collins, Irish Minister of Justice, and the heads of the RUC and the Garda was the longest and most comprehensive between the two Governments in the ten years since the Army became involved in Northern Ireland.

It was the direct outcome of the London talks between Mrs. Margaret Thatcher and Mr. Jack Lynch, the Irish Prime Minister, after Lord Mountbatten's murder.

Both sides agreed in principle then on the need for greater co-operation over security. Yesterday's agreement is the first tangible evidence of that spirit of co-operation being put into practice.

Last night both Governments were clearly pleased that the momentum of events which began after Lord Mountbatten's murder, continuing with the new appointments in Northern Ireland and the Pope's call for peace, should have been thus maintained.

Precise details of the agreement are not being published for security reasons, but it is clear that Britain has not won all the concessions which some in the Army would like to see.

In the communiqué issued afterwards there was no suggestion, for example, that British security forces would be able to pursue suspects over the border.

Nor was it clear whether the RUC could be present when suspects were interviewed in the Republic.

Britain seems to have got as much as officials were realistically hoping before the meeting, when it was accepted that some compromise would have to be made.

Rather than going for extradition, for instance, the two sides have agreed to make more use of existing legislation which enables suspected terrorists to be brought to trial in one country for offences committed in the other.

The UK has long urged greater use of this legislation, and like many aspects of the agreement its ultimate effectiveness will depend on whether the Irish Government's commitment to greater co-operation is translated into action.

After the meeting Mr. Atkins said that he thought it was this renewed expression of the determination of both Governments to fight terrorism that was the most important outcome of the talks.

The border measures, he said, could make "an enormous difference" and mean that no criminal could escape justice merely by crossing the border.

The contacts between the two Governments will continue with the hope of building further on this spirit of co-operation.

Though both now publicly agree that IRA terrorists pose a threat to each of them, they still have very different views on how the Northern Ireland situation should be resolved.

The Ministers also discussed prospects for political progress in the North.

"Troops out of Ireland" demand rejected. Page 4

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Allied Colloids	136	+ 7
Assd. Fisheries	61	+ 4
B and Q (Retail)	94	+ 4
Dutton-Forshaw	71	+ 3½
Glanfield Lawrence	60	+ 6
Henderson-Kenton	140	+ 12
Hillards	379	+ 10
IC Gas	608	+ 13
Kent (M. P.)	102	+ 7
Ladbroke	196	+ 8
Magnet Southerns	162	+ 5
Negretti & Zambra	57	+ 10
Paradise (B.)	22	+ 5
SGB Group	248	+ 6
Saga Holidays	186	+ 7
Sirdar	132	+ 12
Stock Conversion	402	+ 10
Sunley (B.)	551	+ 13
Tarmac	214	+ 7
Victor Products	153	+ 8
BP	1440	+ 25
Oil Exploration	476	+ 22
McLeod Russel	315	+ 30
Anglo Amer. Crpn.	472	+ 24
Blyvoor	420	+ 31
Gold Mn. Kalgoorlie	152	+ 12
North Kalgurli	39	+ 7
Poseidon	88	+ 8
President Steyn	£12	+ 1
West Driefontein	£28½	+ 1½
Western Deep	£11	+ 1½

FALLS

Capseals	46	− 3
Cmb. English Stores	45	− 11
Glaxo	467	− 11
ICI	365	− 4
Johnson Matthey	215	− 8
Montfort (Knitting)	74	− 4
Muirhead	225	− 7
Royal Insurance	360	− 10
Rightwise	173	− 14

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OVERSEAS NEWS

Norway Cabinet reshuffle after election setback

BY FAY GJESTER IN OSLO

EXTENSIVE CHANGES in Norway's Cabinet were announced yesterday by Mr. Odvar Nordli, the Labour Prime Minister. The party recently suffered a severe setback in local elections. At the same time the Government has tabled a moderate Budget for 1980 aimed at holding down inflation and securing jobs.

The cabinet changes to take effect from Monday include the creation of a new Ministry for long-term planning to be headed by Mr. Per Kleppe, Norway's Finance Minister for the past six years.

The new Minister of Finance will be Mr. Ulf Sand Head of the Norwegian TUC Economic Research Department. Another prominent trade unionist Mr. Lars Skytoen chairman of the influential Iron and Metal Workers Union joins the Cabinet as Industry Minister.

In a significant political shift Mr. Reiulf Steen, the Labour Party Chairman who is generally regarded as leader of the party's Left Wing, is to become Trade and Shipping Minister.

Two other Labour left-wingers get Cabinet posts. Ms. Sissel Ronbeck, former chairman of the party's youth organisation, will become Minister for Consumer Affairs. At 29, she will be the Cabinet's youngest member.

Mr. Einar Forde, a leading opponent of Norwegian EEC membership, becomes Minister of Education.

Mr. Per Kleppe, the outgoing Finance Minister yesterday tabled a moderate 1980 Budget to follow the present price freeze which ends on December 31.

Some indirect taxes and charges for public services will be increased after a year's standstill but by relatively small amounts.

The proposals envisage higher postal and electricity charges, increased television licence fees and higher fares and freight rates on state-subsidised public transport and higher indirect taxes on petrol and electricity.

On the other hand direct taxation will be slightly reduced for low income families with children, and payroll taxes (employers' contributions to social security) will be cut in some economically weak regions.

To stimulate private and institutional investments in Norwegian shares taxation and profits on share trading is to be eased.

Brezhnev criticises U.S. handling of troops issue

BY ANTHONY ROBINSON, EAST EUROPE CORRESPONDENT

MR. LEONID BREZHNEV, the Soviet President, has indirectly criticised U.S. handling of the Cuban troops row and its linkage *with SALT-II ratification* at an award-giving ceremony in East Berlin.

Speaking shortly after his arrival for festivities celebrating the 30th anniversary of the German Democratic Republic, he said: "Political wisdom does not consist in aiming for rivalry and provocations, but the ability to carry out the *policy of peace and good neighbourliness* without vacillating.

Without naming names Mr. Brezhnev added: "It would be desirable if everyone were conscious of these simple truths on which the course of events on the international stage depends.

"We for our part will do everything to see that the 1980s are free from the war of nerves, *suspicion and fear and most* important, of the arms race."

Yesterday morning, Soviet and East German officials underlined the importance of Soviet-East German economic relations by signing a 10-year economic co-operation and specialisation agreement, under which *the GDR will receive energy and* raw materials from the Soviet Union in return for specialised engineering and technical products.

Today Mr. Brezhnev is scheduled to make a major speech, which will be broadcast live throughout the Warsaw Pact countries. The celebrations culminate in a military march-past *on Sunday.*

David Satter adds from Moscow: The Soviet Union and Greece have agreed that technical experts should prepare a feasibility study for a projected 400,000 tonne a year alumina plant to be located in Greece which would use Greek bauxite as a raw material but produce exclusively for the Soviet bloc.

The agreement was reached following the five-day visit to the Soviet Union by Mr. Constantine Karamanlis, the Greek Prime Minister.

OIL-PRODUCING COUNTRIES' SEMINAR IN VIENNA

Howell seeks UK role as mediator

By Ray Dafter, Energy Editor

MR. DAVID HOWELL, Britain's Energy Secretary, is stepping up pressure for the UK to be accepted as a mediator between oil producers and consumers.

Britain had a particular interest in promoting a harmonious development of the relationship between the producers—particularly the Organisation of the Petroleum Exporting Countries—and oil importers, he said, speaking at an OPEC seminar in Vienna yesterday.

The UK was now the world's 12th largest oil producer. But by the end of the century it was likely to be net oil importers again. "Britain's interests therefore contain important elements of the interests of both producing and consuming countries."

The relationship between the two sides was "not all that it might be," he went on. But there was enough common interest to foster a new relationship. A new understanding of interdependence would require changed attitudes on both sides.

Mr. Howell said the impact of recent oil price rises was unsettling; they undermined confidence, increased pressure on governments to pursue less sound monetary policies, and reduced the level of activity in the industrialised oil importing countries.

OPEC urged to drop dollar pricing

BY RICHARD JOHNS

Dr. Ali Jaidah . . . index oil prices to inflation

A strong call for switching away from the weakening dollar to a basket of currencies to calculate future increases in oil prices and for indexing prices in line with inflation, was made here yesterday by Dr. Ali Jaidah, former Secretary General of the Organisation of Petroleum Exporting Countries.

Speaking at OPEC's annual seminar, Dr. Jaidah, who is now managing director of the Qatar General Petroleum Corporation, also warned that "oil prices may be expected to increase in real terms in the light of the scarcity of hydrocarbons, as well as the continuous rise in the cost of alternatives."

He said that OPEC should revert to a basket of currencies similar to the "Geneva II formula" that was negotiated with the oil companies in the summer of 1973, but abandoned a few months later, when the *producers asserted their power* to set prices unilaterally.

Pressure is building up within the ranks of the producers for the establishment of a mechanism to automatically the purchasing power of petroleum revenues.

The possible introduction of a system relating oil prices to *a weighted average of the value* of a number of currencies, and also making them inflation-proof, is now bound to be discussed seriously at the next ordinary OPEC Ministerial conference scheduled for Caracas, Venezuela, in December.

Saudi Arabia is believed still to be opposed to shifting away from the straight denomination of prices in dollars. This is because of its vested interest in the health of the currency, in which the bulk of its accumulated foreign assets of $60bn to $70bn is invested and because of its concern for the well-being of the world's economy.

At the same time, the Kingdom does not dissent from the hardening consensus within OPEC that the real value of oil revenues established for second half of 1979 should be preserved.

On both issues Saudi Arabia's will to resist the majority of the other producers may have been greatly reduced by the failure of President Carter's administration to persuade or cajole Israel into accepting the concept of a meaningful form of Palestinian self-determination in the Occupied Territories.

At a previous session of the seminar, Dr. Adulhardy Taher, Governor of Petromin, the Saudi state oil corporation, took an optimistic view of the balance of oil supply and demand, suggesting that the world might enjoy a modest surplus of some 500,000 barrels a day next year—rather less than 1 per cent of present world consumption.

In his address Dr. Jaidah said "Whether prices rise on the basis of a yardstick measuring the scarcity value and the cost of alternatives, or through long-term assessment of supply and demand, it is better for both producers and consumers that this be done in a planned manner."

Iran asks Japan to pay $38 for spot crude

BY RICHARD C. HANSON IN TOKYO

IRAN HAS indicated to Japanese trading houses that it wants to charge $38 per barrel for spot purchases of light crude and $36 for heavy, according to importers.

Unconfirmed reports say that a U.S. buyer has already paid more than $40 a barrel for light crude.

It is not clear whether the Japanese have actually accepted such prices, but what is certain is that Japan will *have to depend on a considerable* amount of spot purchases to maintain supplies.

Last year, Japan was able to buy spot crude when prices were lower than official prices. This year, it will have to buy about the same amount under much tighter price and supply conditions.

It appears that recently spot purchases have run at about 4-5 per cent of all imports, with purchases from April to August estimated at 4m kilolitres.

Japan's Ministry of International Trade and Industry (MITI) *has yet to disclose any* estimates for the amount of oil they expect to be able to import from this October into the winter months, claiming uncertain supplies from the major oil companies make such an estimate *difficult.*

Gulf Oil, for example, is now notifying customers that it will trim its supplies to Japan in November to 36 per cent of the original contract level, from 38 per cent this month.

Gulf last year supplied 6.9 per cent of Japan's oil imports. All the other majors have made reductions. Even China, while not formally cutting back on its agreement, has informed Japan that supplies will be delayed this autumn.

MITI has directed that Japanese companies avoid buying *spot crude at prices considered* to be excessive.

Officials say no purchases have been made at the highest levels being quoted, but one Japanese refiner was reported recently to have agreed to buy Iranian oil on a spot basis at $34.50 a barrel.

It is expected that a more accurate picture of Japan's supply situation will emerge after this Sunday's General Election.

Reuter adds from Tehran: Ayatollah Rabbani Shirazi, a leading Moslem clergyman, called on Mr. Ali-Akbar Moinfar, Iran's Oil Minister, yesterday to lower oil production and seek higher prices for crude exports. It is the first time since the February Revolution that a member of the Moslem clergy has publicly given such detailed advice to the Government on how to handle Iran's oil sales.

Ayatollah Shirazi is a member of Iran's assembly of constitutional experts.

U.S. jobless falls to 5.8%

BY DAVID BUCHAN IN WASHINGTON

UNEMPLOYMENT fell in the U.S. last month to 5.8 per cent of the work force, from 6 per cent in August. It is now back at the level at which it has hovered for most of the past year.

Yesterday's figures, released by the Labour Department, may make it easier for the Administration to resist pressures from some Congressmen for a stimulatory tax cut, and may also reduce political inhibitions on the Federal Reserve Board in pursuing tight interest and money supply policies.

The September jobless drop would appear to square with indications that in the third quarter, output in the U.S. *probably grew slightly in real terms,* rather than following the second quarter's sharp fall. But a renewed drop in Gross National Product in the last quarter of this year, is very much on the cards.

The strong employment advance in September—adding 610,000 to the work force, after the August fall of 310,000—is a little surprising. It is not expected to continue at that rate.

The Administration forecast is for unemployment to hit 6.6 *per cent by the end of the year* —the only area of the economy where Government predictions may have erred on the gloomy side.

Stewart Fleming writes from New York: For the second time this year, savings and loan associations—the financial institutions which finance the bulk of house purchase in the U.S.— *suffered a net outflow of funds* in September.

Rising interest rates during the month probably account for the fact that savers withdrew perhaps as much as $1bn more than they deposited.

In New York, the National Association of Mutual Savings Banks said that its members, who are also important in the financing of home loans, probably also had a net outflow comparable to the loss of $689m in September 1974—the worst on record.

Mortgage loan commitments have held up so far this year. The latest figures could foreshadow a period of tight money in the home-loans market, which would constrict house-building, thus further weakening the U.S. economy.

It seems there is no immediate threat of a sharp cut in mortgage funds. Interest rates remain high, and economists will be watching the monthly figures from the savings industry to see whether the outflow continues.

French banks increase base lending rates

By David White in Paris

TWO of the leading French private-sector banks yesterday pushed their base lending rates up by a further 0.3 percentage points to 11.05 per cent, the highest level for over four years.

Other big banks, including the three state-owned institutions which dominate the market, were expected to follow the increase, led off by Banque de Paris et des Pays-Bas (Paribas) and Banque de L'Indochine et de Suez (Indosuez).

The rise is the sixth successive sharp increase in France since early June. During that *period the cost of bank borrowing* to the most privileged customers has climbed by just over a quarter, from a previously stable level of 8.8 per cent.

Brazil banker warns of public spending cutback

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

A STERN warning about the difficulties facing the Brazilian economy was given in London yesterday by Sr. Ernani Galveas, president of the country's Central Bank. Sr. Galveas forecast a spurt in inflation and a cutback on public sector capital expenditure.

Speaking after the announcement *that Brazil was seeking a* syndicated loan of $1.2bn, Sr. Galveas said the government planned to phase out subsidies on consumer items in the near future, and added that this would push up the cost of living. "It could be regarded as an example of corrective inflation," he commented, as the move was aimed at cutting public expenditure.

Inflation in Brazil, which last year was put officially at 45 per cent is likely to exceed 60 per cent this year.

Sr. Galveas said that the government would be likely soon to announce the scrapping of proposed new capital projects though those which had already been started would not be affected. The government, however, did not intend to suggest cuts in private sector investment plans as business confidence had to be maintained.

The Brazilian government had to balance the demands for economic and social development with efforts to control inflation and attend to servicing a *debt of* some $50bn as its bill for imported oil was soaring.

Arguing that the economy had to continue to grow despite present difficulties he said that 1.4m new jobs had to be created annually if unemployment was to be kept within bounds.

IMF AND WORLD BANK MEETINGS

Impressive unanimity on problems of inflation

PETER RIDDELL IN BELGRADE

THE WORLD'S Finance Ministers and central bankers are agreed—to a surprisingly broad extent—about the international economic outlook and on the proper response.

No one expected anything specific in the way of new ideas or detailed proposals to emerge from the annual meetings of the International Monetary Fund and World Bank in Belgrade, and they have not. But what has emerged—and clearly—has been what M. Jacques de Larosière yesterday described as a deeply impressive degree of unanimity on the problems of inflation.

Indeed, the talks have highlighted a marked shift in attitudes over the past few years. Long *gone* are the days of "going for growth." But this year's meeting has also seen the demise of the interim phase of "convoys and locomotives," with their list of detailed policy recommendations for individual countries.

The aspirations have been more modest over the past week, though no less difficult to achieve. They have focused on the need to reduce inflation and inflationary expectations if there is to be any hope of sustainable growth.

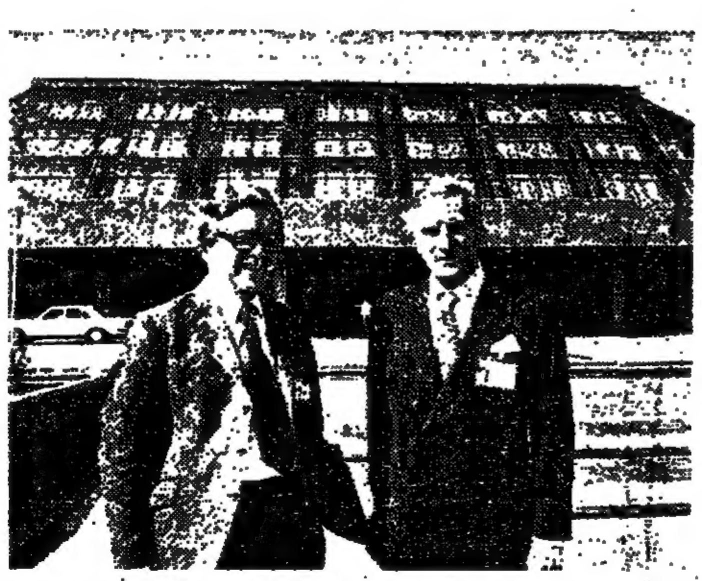
There is also agreement on the importance of a tight monetary *policy to achieve this* objective, though some complaints have been made about high interest rates. It has been especially significant that this view has been put forward not only by industrialised, but also by developing countries.

The speeches of some of the poorer nations have recognised that there are limits to what *the industrialised world can do* until their inflationary problems have been eased.

Indeed, rather to the surprise of some participants, the developing countries have been less vocal and militant than might have been expected in view of the serious deterioration in their economic prospects.

There was a note almost of fatalism about the communiqué of these countries' Group of 77 and their frustrations were mainly expressed in an attempt —effectively deferred for a year—to gain observer status with the Palestine Liberation Organisation.

The problems of the non-oil developing countries — the



Sir Geoffrey Howe, Chancellor of the Exchequer (left) and Mr. Gordon Richards, Governor of the Bank of England, in Belgrade

sharp rise in their aggregate current account deficit and their 30 per cent average inflation rate—took up much time, but with no real progress.

The World Bank, in particular, faces constraints on its ability to sustain increased lending. This is principally because the U.S. Congress has sought to impose restrictions on any support for the International Development Association, the Bank's soft loan arm.

Yet it is not all gloom. Although the U.S. is in, or heading, for a recession, most countries are agreed that the *overall economic downturn* should be less severe, and that inflation rates should be lower than after the last sharp rise in oil prices in the mid-1970s.

Moreover, there is now a better balance in the distribution of current account deficits and surpluses between the major countries.

Several speakers said that this improved balance should help to calm the exchange markets. But such stability has been a long way off in the past fortnight.

The turbulence of the currency and bullion markets has lent a distinct air of unreality to the occasion and explains why many bankers, notably Mr. Paul Volcker, chair*man of the U.S. Federal* Reserve, left for home early. The only result so far has been a smoke screen of rumours and suggestions that something might happen.

The role of the IMF in all this remains peripheral. Several speakers urged a greater use of the Fund's resources by developing countries and closer co-ordination with the commercial banks.

In the most stimulating speech of the meeting, Mr. G. William Miller, U.S. Treasury Secretary, called for stronger surveillance powers for the IMF. He said the IMF should be allowed to scrutinise the economic and exchange rate policies of any country running either a large payments deficit or a large surplus.

But this is far from *universally accepted and the* IMF is a long way from being a world central bank.

There have also been signs that the industrialised countries are lukewarm about the proposed substitution account, into which excess dollars would be deposited *in return for interest-*bearing claims denominated in special drawing rights, the *Fund's own currency.*

The interim committee of Finance Ministers agreed on Monday to move an important step forward in ordering a study about the detailed design of such an account, but subsequent speeches showed that many countries regarded this as making at best only a limited contribution.

South Africa to sell Zambia more maize

By Bernard Simon in Johannesburg

SOUTH AFRICA has agreed to supply Zambia with 200,000 tons of maize to help it overcome a severe shortage of food, following the recent drought there.

The transaction was discussed at meetings in South Africa earlier this week between the general manager of Zambia Railways, Zambia's director of agricultural marketing, and South African officials. The sale was confirmed yesterday by Mr. Hendrick Hickley, manager of the South African Maize Board.

Another 14,000 tons of maize have been sent to Zambia in the past five months, South African Railways officials say. Sales to date thus total 214,000 tons.

About 2,500 tons of maize have been sent to Zambia from South Africa this week.

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UK NEWS

Insurance goes up again for 1m drivers

NEARLY 1m motorists insured with Guardian Royal Exchange Assurance, the second largest motor insurer in the UK, face a further rise in motor insurance premiums. The company is raising premiums from November 1 by an average of 9¾ per cent. The increases range from 7½ per to 10.9 per cent.

It is the second time this year that GRE has revised its motor rates—they went up by an average 12 per cent on April 1. Motorists renewing from November 1 will thus find their premiums have been raised twice.

A mature driver of a 1300 cc car, living in a country area and eligible for full no claims discount, will pay £60.20 for his insurance in November, compared with £50.40 last year—an increase of 19.4 per cent.

GRE is the latest of many insurance companies that have increased motor premiums within 12 months of a previous increase. Insurance companies were hit by the increase in VAT, which added 6½ per cent to claims costs.

With inflation running at its present levels, insurance companies are finding that claims costs in general are rising far quicker than assumed in their calculations. They are having to make fresh calculations before 12 months have passed.

Government spending closer to targets

BY DAVID FREUD

WHITEHALL SPENDING in the last financial year was much closer to Government targets than in previous years.

Total underspending was 1.6 per cent, compared with 2.6 per cent in the 1977-78 financial year and 2.9 per cent, in 1976-77.

The cut in the shortfall suggests that central Government is becoming more adept at operating within cash limits. The cash limit system was introduced at the beginning of 1976-77 to improve control of public spending.

In contrast, the provisional figures for the out-turn of cash limits last year, published in a White Paper yesterday, show that total spending by local authorities and other bodies was at £4½bn, 11 per cent below the limits—about the same shortfall as in the previous year.

There were four areas of overspending. These were the Ministry of Defence, the aid programme run by the Ministry of Overseas Development, the Welsh Office housing programme and net borrowing by the Welsh Water Authority.

There were also five areas of serious underspending. These included the community land scheme, where the allocation was 54.5 per cent underspent, and part of the Department of Trade budget covering support services such as civil aviation. Here, spending was 27.5 per cent below target.

The Treasury said the common reasons for underspending were employment of fewer staff than planned and slippage of capital work.

All areas of overspending would be investigated. In some instances, the Government might offset any overspending by cutting the target in the current year.

The Defence budget was 1 per cent over target at £6.95bn. This was due mostly to the disruption of normal bill-paying to contractors during a strike in Liverpool at the end of the financial year.

The overspending of 0.6 per cent on the aid programme was due to over-compensation on the bilateral aid front when aid provided through multilateral agencies was £60m below target in the middle of 1978.

The Welsh Water Authority claimed yesterday that the 24 per cent overdrawing on its £20m borrowing limit was largely because its targets had not been adjusted for enlarged responsibilities.

Cash Limits 1978-79 Provisional Out-turn, Cmnd 7681, SO, 90p.

Tax and Price index 'below sfandard'

THE GOVERNMENT'S Tax and Price index, launched in August, fell well below the normal standards of Government statistics, says the Institute of Fiscal Studies.

Mr. John Kay, the institute's director of research, said in London: "The new index should have been free from any possible suggestion that political considerations and the assumptions made or the methods of construction, and it should have been of high technical quality."

Its failure in these respects "is unfortunate, firstly, in that it in some degree discredits what might otherwise have been a useful and important contribution; and, secondly, it has worrying implications for the integrity of Government statistical information as a whole."

Courage beer up 3p

BY DAVID CHURCHILL

COURAGE, Imperial Group's brewery subsidiary, is to increase its beer prices by 3p a pint from October 15.

The increase will be the company's second this year. The first 3p rise came in February. Prices also rose in June due to the higher VAT announced in the Budget.

Courage say that the price rise has been made necessary by increased costs since February.

The next major brewery group to raise prices is likely to be Scottish and Newcastle, which also had a 3p price rise earlier this year.

Other breweries are understood to be considering whether to follow. Both Bass and Whitbread, however, have undertaken not to increase prices before next January unless there are unforeseen cost increases.

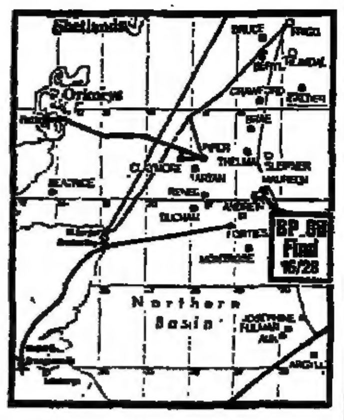
The latest Brewers' Society production figures show that beer production in August rose by 3.3 per cent against the same month last year to 3.6m bulk barrels.

This brings the running total for the first eight months of the year to 27.5m bulk barrels, a rise of 2.4 per cent on the same period of 1978.

New North Sea oil find by BP

BY RAY DAFTER, ENERGY EDITOR

BRITISH PETROLEUM has made a new oil discovery close to the Andrew Field, some 140 miles north-east of Aberdeen.



The find is significant because it could well help to justify commercial oil development in and around the Andrew Field.

BP confirmed that the Sedco H drilling rig had made the discovery in block 16/28 on a separate structure from Andrew. An oil flow was tested at a rate of 2,400 barrels a day through a one-inch choke. The oil itself was said to have a gravity of 29 degrees API, making it somewhat heavier than the crude in many nearby fields.

A statement from BP said that further appraisal drilling would be required to determine whether or not the discovery was a commercial prospect. In the meantime, the well was being "suspended." The fact that the well has been merely sealed off and not abandoned is perhaps indicative of BP's intention to use it for development work at some later date.

The Andrew reservoir straddles two blocks, 16/18 in which BP has sole interest, and 16/27a, licensed to a consortium of five companies: Phillips (as operator), Petrofina, Agip, Century Power and Light, and Oil Exploration.

The Phillips group is expected to begin drilling an appraisal well on the western flank of its portion of the Andrew Field later this month.

Phillips is hoping it can also begin development of fields in its nearby "T-block"—Tiffany, Thelma and Toni—with production starting in 1983-84.

One possibility, now being discussed by the oil industry and Government energy officials, is the construction of a new gas-gathering pipeline system to collect any natural gas produced at the same time as crude oil.

● Occidental said yesterday that it had plugged and abandoned a well in block 22-1a, close to the Forties Field, which was believed to have been dry.

26 British Airways routes cut

By Lynton McLain

THE BOARD of British Airways yesterday agreed to withdraw completely from 26 loss-making air routes in Britain from April.

The cuts will end British Airways' operations at Southampton, Cardiff, Bristol, Leeds-Bradford airport, the Isle of Man and Guernsey.

Mr. Roy Watts, the chief executive of British Airways said after the meeting that the routes "are of no strategic importance to the airline." They account for 1 per cent of the airlines total revenue.

The routes to be cut are: Jersey to Southampton, Birmingham, Bristol, Edinburgh, Glasgow, Leeds-Bradford, Newcastle and Cardiff. Guernsey to Birmingham, Bristol, Leeds-Bradford, Manchester and Heathrow. Cardiff-Bristol to Paris. Heathrow Airport, London to the Isle of Man, Birmingham, and Leeds-Bradford. Belfast to Leeds-Bradford, Newcastle, Bristol-Cardiff and Edinburgh. Manchester to the Isle of Man.

There will still be five jet flights to Jersey each day, four from Heathrow and one from Manchester.

Four of Britain's private airlines meet on Monday to announce plans for taking over the routes.

Conservatives spent £2m more in 1978

BY ELINOR GOODMAN

THE CONSERVATIVE Party increased its central spending by £2m in the year building up to its May election victory. This increase was almost entirely due to a five-fold rise in advertising and publicity spending.

The party's financial year ended on March 31—just five weeks before polling day. But the figures published yesterday include much of the money spent centrally on the May election as well as spending on preparation for an October election in 1978, which everybody expected but which never took place.

The Conservative Party was spending heavily on advertising from April 1978, when it appointed Saatchi and Saatchi as its advertising agency. For the full 12 months, Conservative Central Office spent £1.55m on publicity and broadcasting. This compared with £275,000 in the preceding year, and is far higher than any estimate of Labour spending.

The Conservative Party's central income rose by 22 per cent to £3.4m but this still left a deficit of £1.37m at the end of the year compared with a surplus of nearly £40,000 in 1977-78. Since then, funds that have apparently been flowing into the party coffers fairly fast, and Tory organisers believe that the deficit should be reduced to nearly £100,000 by the end of this financial year when expenditure is budgeted to have risen to £6m.

In real terms, Conservative Central Office spent less than in 1974-75 when the election cost £2.78m and the proportion spent on advertising was higher than last year.

On top of the £4.7m spent centrally, the Conservative Party in the constituencies spent another £6m which they raised themselves, making a total party outlay of £10.7m for the year.

Lord Thorneycroft, chairman of the Conservative Party, said in the foreword to the party accounts that even though it proved very expensive gearing up for an election throughout last year, the decision to launch a big advertising and public relations effort was "plainly right."

Wholesale newsagents to cease trading

BY JOHN LLOYD

E. MARTIN AND SONS, one of the country's larger independent wholesale newsagents, is to cease trading on November 24, blaming closure on industrial disruption in Fleet Street in general and the ten-month stoppage at Times Newspapers in particular. It employs 114

Martin has sales of more than £5m a year and supplies 350 shops in the London area. The company has been trading for 100 years.

Mr. Rodney Hargrove, a Martin director, said that the company had failed to find a purchaser. "No one wants to take over a handful of problems. A wholesale operation like this one can be successful only when it gets its full supply of publications."

The erratic supply schedule of Fleet Street and the increasing costs which wholesalers had to bear made profitable trading impossible.

The Times dispute, now approaching its 11th month, had cost the company about £1,500 in gross profit every week.

Water authority sells farmland for £2m

THE THAMES Water Authority announced yesterday it had sold 1,382 acres of farmland for £2,097,000.

The land was bought for £757,500 betwen 1974-76. It was intended for sludge disposal in an emergency, such as during a period of industrial action, but it has never been used.

The farmland, comprising the Studley groups of farms, Oxfordshire, and Nolands Farm, Wiltshire, last year contributed to a £150,000 loss on the authority's land holdings of 4,500 acres.

The authority said it was advise dto sell the land by farming consultants. A further incentive was provided by the Government telling public bodies to sell surplus assets.

Euston bus station opens

A £400,000 bus station, used by London Transport on 13 routes, will open tomorrow in front of Euston main line station in London.

Brentcard soon

A CREDIT CARD service is to be launched for regular shoppers at Brent Cross shopping centre in North London. It will enable shoppers to use the same card at 66 shops in the centre and will be issued by Barclaycard later this month. The aim is to issue over 10,000 cards in the first year from the Barclays Brent Cross branch.

Airport plans

PLANS FOR a major development of Lulsgate Airport, Bristol, were revealed by the City Council yesterday

It estimates that the number of passengers using the airport, mainly holiday charter traffic, will rise from 235,000 last year to around 800,000 by 1996.

Energy pricing

THE GOVERNMENT confirmed yesterday that it is to change energy conservation policy, putting the emphasis on "rational pricing" of energy, rather than on incintives or publicity alone.

Homeless housed

ABOUT 53,000 homeless families were given accommodation by local authorities in England and Wales last year. More than half were in London and the other metropolitan districts.

Merger move

BIRMINGHAM'S £2.7m St. Philip's Benefit Building Society will merge with the £250m Midshires Building Society if the St. Philip's members accept a unanimous recommendation by its board of directors.

LABOUR PARTY CONFERENCE

REPORTS BY JOHN HUNT AND IVOR OWEN

'Troops out of Ireland' demand rejected

DEMANDS for the immediate withdrawal of British troops from Northern Ireland were crushingly rejected on the final day of the Labour Party conference at Brighton yesterday.

Fears that Mr. James Callaghan might suffer another embarrassing rebuff with the policy of the former Labour Government being overturned faded as delegates responded to a forthright speech by Mr. Michael Foot. He insisted that the conference should do nothing to give comfort to those responsible for barbarism and terrorism in Northern Ireland.

As the debate was about to begin, the former Prime Minister showed his anxiety by *moving from his normal position on the platform* to sit next to Mr. Foot.

He said: "If you are going to be shouted down, I want to be beside you."

However, Mr. Foot encountered few hostile interruptions, as he warned, on behalf of the NEC, of the "catastrophic effects" which would flow from a conference decision calling for the immediate withdrawal of British troops.

The Labour Government had refused to move in that direction because it believed that without the presence of British troops there would be hundreds more deaths. The whole of Ireland—north and south—would be condemned to civil war.

Mr. Foot urged the conference to make it clear that terrorism had no part in the *socialist view of democracy.*

"We do not believe that legitimate socialist ends can be achieved by the kind of methods that have been resorted to in Northern Ireland," he said.

He defended the record of the Labour Government and its maintenance of a bipartisan approach at Westminster, and rejected suggestions that this meant that Labour Ministers had been following Tory policies.

It was the Labour Government, he emphasised, which ended internment in Northern Ireland.

Mr. Foot assured the conference that the NEC was not slamming the door on a political initiative or indicating reliance on a military solution by asking for the rejection of the *call for the withdrawal of troops and the* ending of a bipartisan policy.

He paid tribute to the imaginative role being played by the trade unions in Northern Ireland in seeking to end the present conflict.

Support for the "troops out now" campaign was given by Mr. Frank Hansen from Brent East.

He complained that the essence of the bipartisan approach was the defence of the unnatural partition of Ireland and the use of the *full force of thousands of British troops* to deny the Irish people as a whole the right to determine their own future.

Protests mingled with the few cheers when Mr. Hansen accused the British army of being the main cause of the perpetuation of the blood bath in *Northern Ireland.*

He also contended that its presence also had the effect of putting the backbone in the right wing Ulster Unionists.

Mr. Stanley Orme, MP for Salford West and another ex-Cabinet Minister, denied allegations that the suppression *of human rights* in Northern Ireland was on a similar scale to that in South Africa and Rhodesia.

He recalled that British troops were sent to Northern Ireland in 1969 to protect the minority community. Their immediate withdrawal *would only worsen the situation,* with the possibility of violence in English cities.

Jim Callaghan (right) moved along the platform to give Michael Foot support in the "troops out" debate.

Newspaper plan deferred

A PROPOSAL that the Labour movement should establish its own popular national daily paper before the next general election at the latest was referred by the conference for further consideration by the party's national executive council.

But delegates approved a motion from the Society of Graphical and Allied Trades agreeing in principle to the creation of such a paper.

Lady Jeger, incoming chairman of the party, said the executive agreed with the underlying theme of the motion from the Dorking branch, which called for the paper to be launched before the election. But she emphasised that the question of financing such a scheme had to be carefully examined.

The press and publicity committee of the executive had agreed that it wanted to get a paper under way before the election, she said. The party treasurer, Mr. Norman Atkinson, had already started talks with the chairman of the TUC *press committee.*

The executive was asking for the resolution to be remitted only because of the narrow point that it tied the proposal down to a specific date.

The SOGAT resolution agreed to "encourage the creation of alternative newspapers of all kinds, including a newspaper sympathetic to the Labour movement." It backed *proposals for a national printing corporation,* a producers' press co-operative, and the establishment of a fund to assist the launching of new publications.

The SOGAT motion also urged that the Press Council should have the power to initiate investigations and require that equal space and prominence be given to corrections of fact and omissions in newspapers.

According to the motion, private ownership of the newspaper industry had failed to provide a genuine free press.

Mr. *Bill Keys, general secretary* of SOGAT, told the conference that, while the press was controlled by a few rich men and multinational corporations, a truly democratic society *would not be achieved.*

The movement had to destroy the myth that Britain had a free press. What it had was censorship by the proprietors.

Mr. Tony Mulhearn, of the National Graphical Association said that the Press was dominated by eight millionaires, who had poured out pernicious poison against workers on strike.

"Let this conference give warning that we will not tolerate lies and distortions forever," he said.

Mr. Jim Parish, a journalist delegate claimed that the press had presented immigrants, trade unionists, and social security claimants as scapegoats. He suggested that the party should attempt to set up its own pro*vincial papers on a more modest* scale as a first step.

Lady Jeger, new chairman

No support for single-line Channel tunnel railway

A *MOTION supporting* proposals for a single-track rail Channel tunnel failed to win the backing of the conference. The Transport and Salaried Staffs' Association, which proposed the *motion, agreed to refer it to* the national executive council.

This was in accordance with a suggestion from Mr. Tom Bradley, MP for Leicester East and chairman of the executive's transport *sub-committee.*

He gave a warning that the Channel project might take large-scale public funds that would be needed for other projects under a Labour Government.

Throughout the debate on transport speakers strongly attacked the Government's proposals to de-nationalise the National Freight Corporation. They expressed concern about the Government's intentions towards the railways and other parts of the transport system.

Mr. Tom Jenkins, general secretary of the Transport and Salaried Staffs' Association, said that the injection of private capital into state-owned areas of transport would lead to the *loss of public control.*

Only last week, he said, Mr. *Norman Fowler, Minister of* Transport, had told the unions that the Government intended to sell all the shares in the *National Freight Corporation* and thus put it firmly in private *hands.*

Mr. Jenkins said that these industries must be brought back into the public sector by a Labour Government, in accordance with the resolution approved by *conference* earlier in the week.

Mr. Gordon Bagier, MP for Sunderland South, and a member of the National Union of Railwaymen, pointed out that other parts of the resolution totally opposed the hiving off of any part of the transport system, particularly of the National Freight Corporation. Therefore, he could not understand why the executive was asking for it to be remitted.

Replying from the platform, Mr. Bradley said that Labour wanted an integrated transport system under a national transport planning authority. Yet this Government was engaged in a vast hiving-off operation.

The de-nationalisation of the National Freight Corporation was unnecessary and doctrinaire. It offered no guarantee *of a better use of resources.*

Mr. Bradley wondered how long it would be before the Government proposed hiving *off sections of British Rail,* such as the hotels, the engineering *section, and Sealink.*

He said there were well-founded rumours that the Government intended to cut the public service support grant for BR, which maintained loss-*making passenger services. If* this was so, then it would have a grievous effect on long-suffering rail passengers in the south-east.

But on the subject of a Channel tunnel, the executive had serious reservations, although a single-track proposal was better than the grandiose scheme proposed under the Heath Government.

The executive however, had not yet had an opportunity to consider the implications

● Sir Alec Cairncross, Chancellor of Glasgow University, has been appointed by Mr. Norman Fowler, Transport Minister, to investigate British Rail's plan for a £650m Channel tunnel link with France. he earlier proposal was for two single-track rail *tunnels costing* £1.75bn at current prices.

Print union will press for Times pay talks soon

BY PHILLIP BASSETT, LABOUR STAFF

MEMBERS of the National Graphical Association at Times *Newspapers will press today for* a resumption of pay negotiations with the company before re-publication of its suspended titles despite the company's insistance that this is unaccept*able.*

The union members at the company have accepted a return-to-work formula giving interim pay rates, and had intended to negotiate a new operating agreement, *including* final rates of pay, after The Times, its supplements and the Sunday Times, suspended for 10 months, came out again.

Delays in re-publication, and *in particular the settlement this* week with the Sunday Times machine-room branch of the National Society of Operative Printers, Graphical and Media Personnel, have increased pres*sure for reopening negotiations* before re-publication.

Mr. Les Dixon, the NGA president, who will address today's meeting, said yesterday that the position facing the com*pany was "very difficult."*

Noting the statements of some Times Newspapers senior executives, who have said that if agreement is not reached within a few days decisions will *have to be taken on the future* of the titles. Mr. Dixon said: "Unless we get an understand*ing in* very quick time, then that is the end of it."

Pressure for reopening negotiations is expected particularly from NGA composing-room workers, though the influence *of the* NATSOPA settlement is particularly felt by NGA machine-minders, who see it as eroding traditional differentials, at least for the time of the NGA interim agreement.

Mr. Dixon said that though the differentials question was a problem, it did not seem insoluble.

Traditionally union chapels have held to the idea that the *differential between pay of* NGA members and the NATSOPA assistants should be 12½ per cent.

While this has often been sought, it has not been univer*sally achieved, and is not* formally recognised by managements as a fixed relationship.

A report on industrial relations in the newspaper industry by the Advisory Con*ciliation and Arbitration Ser*vice in 1976 noted that instead of the 12½ per cent differential, the rates of top-grade machine assistants ranged from 77 to 89 per cent of the machine *managers' rate.*

ITV unions will propose peace deal to companies

BY OUR LABOUR EDITOR

TRADE UNION proposals for settling the pay dispute which has blacked out independent television for two months will be put to the ITV companies *on Monday.*

The unions, which met yesterday, were said to have a common approach on pay. But they are now seeking separate agreements on the introduction of new technology—in particular electronic news gathering.

Mr. Alan Sapper, general secretary of the Association of Cinematograph, Television and Allied Technicians, said yesterday that the unions had agreed their own demarcation lines in the industry. They would hold regular co-ordinating meetings during the remainder of the dispute.

Pay rates were the main problem. It was unrealistic to suppose that the companies could strike separate pay deals even if they wanted to.

The ACCTT, the National Association of Theatrical, Television and Kine Employees and the Electrical and Plumbing *Trades Union have rejected* a pay and cost of living protection deal staged over two years, estimated to be worth 37½ per cent.

All three now seem determined to secure a one-year pay agreement and separate arrangements on electronic news gathering.

Consultants look into regional industry bodies

BY RHYS DAVID

INDUSTRIAL PROMOTION bodies in the English regions will be examined by a firm of management consultants for the Government as part of the continuing review of public expenditure.

The North West Industrial Development Association, the Yorkshire and Humberside Development Association, the North of England Development Council and the Devon and Cornwall Development Bureau, will this year receive nearly £750,000 in Government funds. The four bodies have been told in a letter from the Department of Industry that the Government is anxious to eliminate any areas of duplication.

The bodies all have active programmes aimed at attracting investment, including extensive overseas promotion. The Government hopes to discover if any of this work overlaps with work done by other agencies, including the 40-strong Invest In Britain Bureau based at the Department of Industry in London.

The letter says that Coopers and Lybrand Associates have been asked to undertake the study, and report back by October 31. The co-operation of the bodies is sought. They are asked to begin assembling immediately basic facts and figures about measures to secure mobile industrial projects, particularly from overseas, and to encourage the expansion of indigenous industry.

Coopers and Lybrand were already at work yesterday at the North West IDA, based in Manchester. This year, it is due to receive Government funding of up to £265,000.

The letter, from Mr. Cyril Silver, director of the Invest in Britain Bureau, stresses that the role of the consultants is merely to gather facts so that the Government can determine the effectiveness of the various organisations. He points out that it will be up to the Government to take decisions.

"At a later stage of the review you will have an opportunity to make representations to Ministers before any announcements are made," he writes.

The review has been attacked by Mr. Colin Barnett, secretary of the North West TUC, who said the loss of the region's association would seriously affect its ability to attract business from overseas.

"I have requested the opportunity to meet the consultants when they come to Manchester in order that I can advise them of the TUC's concern that this organisation should survive and, indeed, be extended," he said.

The review affects only the promotional bodies in the English regions.

Protests at French ban on UK lamb imports

BY CHRISTOPHER PARKES

BRITISH FARMERS have cabled protests to the French *Government* over France's refusal to allow in shipments of lamb from the UK in defiance of a recent ruling from the European Court of Justice.

Mr. Peter Walker, Minister of Agriculture, is also taking a hand. He said yesterday that he was "very disturbed" at reports that France was obstructing French importers willing to take lamb from Britain.

Mr. Richard Butler, president of the National Farmers' Union, who sent the protest to Paris, has cabled Mr. Roy Jenkins, *President of the EEC Commission;* Mr. Finn Olav Gundelach, the Agriculture Commissioner: and Mr. Walker.

Describing the French attitude as "disgraceful, "Mr. Butler said he expected the Commission to act immediately "to uphold the Treaty of Rome

Mr. Walker said that he was investigating the charges of intereference with French importers, and would be in touch with the French Minister next week.

Share sale 'puts jobs at risk'

By Our Lobby Staff

TORY TRADE unionists have warned the Government that the proposed sale of the National Enterprise Board's shareholding in International Computers could put jobs at risk.

A delegation of technical staff, led by the Conservative Trade Unionists group, told Mr. Adam Butler, Minister of State for Industry, earlier this week that the withdrawal of Government involvement might result in the company falling into foreign hands. This could jeopardise the security and the well-being of what the group called a strategic UK industry.

After the meeting, the group maintained that Mr. Butler had recognised that there were special considerations which would make it undesirable for the NEB shareholding to pass into foreign hands.

The group argued that employees should be offered all, or most of, the NEB's shareholding in International Computers, instead of the shares being offered to outsiders.

In its representations, the group, which the party likes to think represents the views of a growing number of Tory trade unionists, again showed that it is uneasy about some of the implications of the Government's determination to make industry stand on its own feet.

Bradford spirit wins praise

THE ENTERPRISING spirit of Bradford was praised yesterday by Mr. Walter Goldsmith, director-general of the Institute of Directors.

Mr. Goldsmith was welcoming visitors to "The Bradford Experience" exhibition which aims to project the city as a location for investment.

He described the exhibition as a positive response to the regional policy statement announced by the Government in July.

Bigger premises for New Steel

IN WEDNESDAY'S report of the difficulties faced by steel stockholders in Scotland it was incorrectly stated that New Steel, Coatbridge, had closed. The company has, in fact, moved to larger premises at Mossend, Lanarkshire, because of increased business.

Whitelaw accuses Labour of 'undemocratic behaviour'

BY ELINOR GOODMAN, LOBBY STAFF

MR. WILLIAM WHITELAW yesterday accused the Labour Party of hypocrisy and unde*mocratic behaviour. The Home* Secretary also implied that, by its exposing the divisions within its own ranks at Brighton this week, the party had done even more to alienate its traditional supporters among trade unions.

British trade unionists, he maintained, were turning their backs in their millions on the divided ranks of socialism. It was the Labour Left, "still obsessed by the language and ideologies of ages long gone by," who were swimming against the tide of history. "They and no one else," he said, echoing the feeling of many Labour Right wingers.

Mr. Whitelaw's speech, made last night to a rally of Conservative trade unionists in Coventry, broke the silence senior Tory Ministers have maintained on the grounds that the less done to distract attention from Brighton, the more damage Labour would do to itself.

His attack on the divisions *within Labour is likely to be* taken up by many speakers at next week's Conservative Party conference.

Some delegates will undoubtedly show their delight at the way they feel Labour has played into their hands this week.

But some senior Conservative politicians, such as Mr. Norman *St. John Stevas, may well point* out that a triumph for the Left in the Labour Party should not be regarded as a reason for rejoicing because it could constitute a major threat to democ*racy in this country if Labour* was no longer to operate as an effective party of opposition.

Mr Whitelaw argued yesterday that there was "something false" about men who paid lip-service to democracy but who reach decisions at their conference on the basis of huge card votes cast on behalf of hundreds of thousands, whose voice was never even considered.

Frequently, he said, decisions at Labour conferences were dictated by wafer-thin majorities on union executives. Moreover, he added—rubbing salt into the wound by quoting Denis Healey—the members of some of these union executives were not even Socialists, but Communists.

No one, he said, now disputed *the degree of Conservative support* among trade unionists. The reason for this was not, "as Tony Benn would have it, because Labour Governments served up insufficient socialism," *but quite the reverse.*

If socialism meant the tyranny of the closed shop, the lack of secret ballots, and the intimidatory practice of secondary picketing, then working people in their wisdom would want none of it, he claimed.

Exotic oils from East proved to be water

FINANCIAL TIMES REPORTER

HOW HUNDREDS of drums which should have contained exotic, expensive oils from the Far East arrived at European ports containing water was the subject of speculation in the High Court yesterday.

One possible answer to the mystery, said Mr. David Johnson, QC, was that the water switch took place at a dockside warehouse, or "godown," at Tanjun Priok, the port of Jakarta, Indonesia.

The suggestion was made during the second day of an action between Fuerst Day Lawson, commodity shippers, which is suing Orion as representative of 20 underwriters after the company refused to meet a claim for the missing cargo. Fuerst's claim against the underwriters amounts to $512,693 plus two claims in sterling totalling £17,644.

Mr. Johnson, counsel for Fuerst, said that it was known that there were wells at the "godown," and the water found in the drums was consistent with well water.

Alternatively, when the barrels came out of the godown to be loaded on board ship, the switch might have occurred at that point, he said.

Orion, which had insured the oils for loss or damage in transit, refused to meet the claim, alleging that the sellers, Farmaport of Jakarta, had "appropriated water with only a minimal quantity of oil to these contracts," or alternatively appropriated the oils but then substituted water before the start of transit to Europe.

The case continues next week.

ILEA aims to expand nurseries

THE Innter London Education Authority, which needs 260 more nursery classes to meet the estimated needs of 1982, is aiming to provide nursery places for all who want them.

A report approved by the authority's development and schools sub-committees reviews progress in expanding nursery education in the 1970s. It shows an increase from 32 nursery schools and 241 nursery classes in 1972 to 46 schools and 399 classes this year.

Tourists' spending up 12%

SPENDING by overseas visitors to the UK rose by 12 per cent between April and June compared with the first three months of the year, according to figures published yesterday by the Department of Trade. Total spending was £708m when seasonally adjusted.

UK residents spent £486m, when seasonally adjusted, abroad during the same period, an increase of 1 per cent compared with the January-March period.

This favourable balance of payments on the UK travel account was despite more Britons travelling abroad than foreigners visiting Britain. According to the Department of Trade, UK residents spent less money on foreign visits.

The estimated surplus of £222m shows some recovery from the low first quarter figure of £151m but the total for the six months period is well down on the previous six months.

The number of visitors from *North America, fell* suggesting that the weakness of the dollar made UK prices look unattractive.

Prior to address first conference of union

BY ALAN PIKE, LABOUR CORRESPONDENT

MR. JAMES PRIOR will next weekend have his first chance to address the conference of a TUC-affiliated union since becoming Employent Secretary.

He will speak at the first conference of the Engineers and Managers Association in Bournemouth. The EMA, developed from the Electrical Power Engineers Association, is seeking to represent professional and senior managerial staff *throughout the engineering* industry.

In a report to the conference on the first two years of the EMA, published yesterday, the executive describes the creation of the union as an act of "imagination, foresight and courage." While other TUC unions had sought to organise professional staff, they did so on the basis of wanting them to join *organisations which principally* represented larger groups with different interests.

The EMA had attracted hostility, not only from some TUC unions but from the TUC itself, the Engineering Employers Federation, and the Advisory, Conciliation and Arbitration Service, says the report.

"The weight and intensity of this initial opposition had the effect—not intended by those promoting it—of demonstrating for all to see that the creation of the EMA was not only relevant and timely, but possessed the real potential which its founders believed it would have."

The EMA was not trying to invade established areas of influence of other unions, says the report. Its concern was to represent professional, managerial and allied staffs where they were unorganised. "It is essen*tial for the EMA to maintain* this stance if professional and allied staffs in British industry are to have a voice of their own in trade union and industrial affairs in the years and decades ahead."

Paddington faces more disruption

SERVICES to and from London's Paddington station are expected to be halted for most of next Wednesday and Thursday after the National Union of Railwaymen decided yesterday to call another 24-hour stoppage over reorganisation of the station's parcel depot.

900 lay-offs at Cowley

NEARLY 900 workers on the Maxi and Princess lines at Pressed Steel Fisher's car body plant, Cowley, had been laid off by yesterday because of a *strike in the factory's* paint shop.

A strike by 500 paint shop workers over new grading proposals has stopped body shells being treated for the last four days.

The employees refuse to work on the same jobs as higher-paid relief men.

They say that thecompany's action in trying to pay different rates in the paint shop makes nonsense of its claim that parity means the same rate for the job.

A mass meeting of TGWU shop stewards at the car body plant has been called for Monday. The union opposes the proposed new grading system.

The grades give production workers less pay than skilled workers, and spreads them over three grades. The TGWU wants all production workers to be in the same grade.

THE WEEK IN THE MARKETS

Cash flow goes into equities

The modest rally in the equity market at the end of September turned into quite a string advance this week. Despite all the uncertainties in international financial markets — reflected in the wild swings of the gold price — the All-Share Index came from below 250 to above 260 in eight trading days, a rise of over 5 per cent.

Some of this strength results from the very firm oil sector, but in general the institutional cash-flow built up through dividend payments and the lack of rights issues has been re-invested in equities. The end of the engineering strike has, on balance, brought relief while also provoking worries about the overall level of pay settlements in the coming winter.

Make mine music

Tempted by pirate cassettes and often attracted by the artists on small labels, record buyers are turning away from the big companies. The superstars who can still sell records by the truckload are demanding, and getting, an ever-increasing slice of the profits and the major recording groups are still waiting for the next really big bandwagon to carry another sales boom.

A hefty slump in EMI's music profits was mostly responsible for an overall decline of 58 per cent to £10.8m in the year ended June 30, and the group has passed the final dividend. The interim distribution of 3.41p per share thus compares with the previous full year total of 9.38p.

The music division lost £14.6m from December onwards after a first half profit of £16.5m and EMI as a whole suffered a £9.2m deficit in the second six months after making £20m in the first half.

The proposed £70m deal with Paramount Pictures in the U.S. was called off last month and the group now says that "definitive action" is under way to improve the financial position.

Net debt of £136m compares with tangible shareholders' funds of £168m and a major disposal is widely expected. The trouble is that the group would be loathe to sell those parts of its business, such as the leisure division, which are making plenty of money but it may be difficult to find ready buyers for the body-scanner and the record operations.

The scanner side of the electronics business reduced its losses slightly to £13m last year and the research and development bill has been halved. But the recovery has a great deal further to go and if the business is to be maintained, a reduction of the R and D programme hardly makes sense over the longer term.

The group is making no more than vague noises about its efforts to restore profits but its operations have nearly always been based on volatile industries, all of which regularly run into troughs. At the moment, the record industry is finding it extremely difficult to see around the pirate tape threat and many of the more innovative musicians are signing on for the smaller companies. What EMI needs is another hit machine such as Lennon and McCartney. Unfortunately the basement clubs of Liverpool are not such fertile ground these days.

LONDON

ONLOOKER

Man of leisure

On the day that EMI announced results that were only redeemed by a good performance from that company's leisure activities, brokers Vickers da Costa held a conference on the entertainment, leisure and catering industries. Vickers' analyst Max Dolding is very keen on the sector, which he expects to ride out the difficulties of the next year or so and show substantial growth thereafter.

He considers that comparisons with 1974-75, when the sector reached a very low point relative to the FT Actuaries 500-share Index, are entirely misplaced at the moment. At that time the entertainment industry was completing heavy capital investment programmes that had left it burdened with debt and in a very weak position to withstand trading difficulties.

But now the industry has had time to rebuild its financial strength and is nothing like so vulnerable as last time. And the absence of heavy investment plans carried forward into recession contrasts vividly with the position of manufacturing industry.

The brokers also consider that if consumer spending growth slows, what they call "discretionary leisure spending" is liable to hold up much better than purchases of durable goods.

Some parts of the sector—notably hotels — have been under pressure this year as a result of worries about the impact that the fall in tourist traffic would have on profits. Trusthouse Forte representatives at the conference put the fall in London occupancy rates this summer at 3 per cent over last year. But they said last month was unchanged on the previous year, and provincial hotel occupancies have held up quite well.

Vickers say that the fall in tourism has been exaggerated: tourist traffic to the UK has not collapsed but has simply returned to its long-term trend after reaching unnaturally high levels when sterling was weak. They point out that over the last few years the hotel industry has not been adding capacity at the frenzied rate of 1972-1973, so that any fall in demand should not have the same drastic effect now as five years ago.

Ho-Jo trail

Imperial Group still has a mountain of paper work to get through before it can complete its $630m takeover bid for the Howard Johnson restaurant and hotel group in the U.S. But although Johnson's shares currently stand well below the bid price—implying some doubts about whether the deal will be completed—there is little doubt that Imps will eventually win the day.

That, at any rate, is the impression after a week in which Mr. Howard Johnson has been in London to talk about the deal and the press. There is no to Imps' major shareholders doubt that the bid price is very generous—probably more than twice the going market rate in the absence of a takeover. But then Imps' acquisitions usually do look expensive, and generally work out reasonably well in the long run. Howard Johnson looks a pretty solid sort of proposition, with a proven management.

Imps has made it clear for some years that it has been looking for a big cash purchase i nthe U.S., so shareholders can hardly feel too agrieved now that it is actually happening. And its own share price is not geared to short term earnings growth. Rather, Imps' shares are held by investors who want high current income and a gently rising stream of dividends in the future. It won't matter too much if the bid does not look too good in 1980—so long as it is paying its way in 1990.

There are legal problems to be overcome in the U.S. before everything is signed and settled. But Wall Street seems to be much less worried about these than about the possibility that Imps' own shareholders will reject the bid when they eventually are called to approve it at a special meeting. This is highly unilkely to happen.

Spills and thrills

The fate of the £70m share bid for Spillers for Dalgety remains very finely balanced. Just over a week ago, Dalgety made a binding commitment not to raise the terms of its offer but found that it was 12.5 per cent short of a controlling majority when it counted the level of acceptances as the first week of extension closed on Monday. The bid has been ex- closes next Friday. tended once again and now

One of the principal reasons Dalgety gave for digging in was that Spillers had not published its interim figures. Chairman Mr. David Donne said that be had been looking for firm support for Spillers annual pre-tax profit forecast of £15m and was encouraged by the fact that his his opposite number at Spillers, Mr. Michael Vernon, felt the available management figures were not "relevant."

Spillers, however, did publksh its halftime results this week and, as expected, they add little or nothing to the substance of the defence. Profits for the six months to August 4 reached £5.48 pre-tax and compare with just over £6m last year after a £3.5m final loss on baking.

As usual, there is an irksome lack of divisional analysis. Flour milling margins are known to have been under pressure until the price increase last month and profits form this source may have fallen by around £3m. The Modern Maid acquisition in the U.S. has also proven troublesome and may have suffered a first half deficit of £1.5m.

Both operatiosn are expected to improve in the second half but may produce lower earnings than in the corresponding months of last year. Spillers has £9.5m to make in the second six months to meet its forecast and the other activities will be expected to make much of the running.

Dalgety was understandably anxious to make capital out of Spillers' dull halfway showing but Mr. Vernon is looking for "satisfactory improvements in performance from all operating groups."

The bidder still has the option of picking up a further 2.5 per cent of Spillers' equity in the market but accepts that it will have to win over Spillers' small shareholders if it is to take the additional shares required for control.

BEST AND WORST PERFORMING SECTORS IN FOUR WEEKS FROM SEPTEMBER 5

	% change
Oils	+17.7
Banks	+8.4
Hire Purchase	+7.1
Entertainment, Catering	+5.6
Mining Finance	+5.6
Insuranfe Brokers	+5.5
All-Share Index	+4.5
Discount Houses	−1.5
Contracting, Construction	−1.6
Mechanical Engineering	+3.2
Household oGods	−3.6
Engineering onCtractors	−4.2
Toys and Games	+5.0

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	480.4	+ 9.7	558.6	446.1	Qtly. firm awtg. banking figures
Gold Mines Index	222.0	−28.2	260.0	129.9	Prft. tkg. on lower bullion price
Allied Colloids	136	−16	152	68	Bid talks fail
Anchor Chemical	85	+ 7	85	60	Good interim results
Assc. Book Publishers	295	+32	348	240	Recovery after disappointing int.
BP	1,440	+150	1,440	882	Ahead of Monday's share split
Durapipe	60	+10	69	46	Press comment
Farnell Electronics	284	+19	284	156	Awaiting Tuesday's interim
GKN	275	+12	308	226	Engineering dispute settled
Harris Queensway	344	+44	348	172	Excellent int. results 100% scrip
Holt Lloyd Int.	246	+23	250	148	Better-than-expected int. figs.
Horizon Travel	239	+19	274	127	Spanish acquisitions
Hurst (Charles)	85†	+24	85	55	Bid speculation
Intl. Thomson	403	+32	447	268	North Sea oil optimism
Land Securities	318	+15	323	244	Lower interest rate hopes
Rustenburg Plat.	161	−21	193	94	Platinum falls sharply
Sanderson,-Murray & Elder	33	− 7	54	33	Pre-tax loss and cut div.
Sunley (Bernard)	551	+54	551	252	Suggestions of asset revaluation
Whessoe	157	+33	170	83	Bid approach from Costain
Wilson Walton	9	− 5	37	8	Poor annual figs., gloomy outlook

† Price at suspension.

U.K. INDICES

Average week to	Oct. 5	Sept. 28	Sept. 21
FINANCIAL TIMES			
Govt. Secs.	72.47	72.48	72.13
Fixed Interest	72.90	72.77	72.68
Indust. Ord.	474.8	469.1	462.7
Gold Mines	235.6	233.0	210.9
Do (Ex $ pm)	208.5	203.7	191.7
T'tl. bargain	19,014	17,447	17,226
FT ACTUARIES			
Capital Gds.	243.01	240.21	239.81
Consumer (Durable)	241.10	238.80	233.27
Cons (Non-Durable)	242.31	238.11	235.20
Inds. Group	242.15	238.64	235.76
500-Share	280.50	274.10	268.76
Financial Gp.	199.03	195.62	193.39
All-Share	157.74	252.25	247.74
Red. Debs.	57.62	57.97	58.12

Keeping calm

NEW YORK

By David Lascelles

COMPARED WITH the violent girations of other markets — commodities, gold, foreign exchange, bonds—the stock market had quite a placid week. It even managed to put on some solid gains in the face of depressing news like the shocking 1.4 per cent rise in producer prices for September.

Much of the strength stemmed from growing optimism about the dollar even though the IMF meeting in Belgrade produced little in the way of hard facts to support it. But the market seemed convinced that something would have to be done about the national currency, if not immediately, then at least in the coming weeks.

The market's worst moments came on Monday when gold was still soaring to ethereal heights. In trading thinned by Yom Kippur observance, prices went into a broad retreat as traders took profits from the previous week's sharp advance. But then the dollar defence rumours swept through Wall Street, bolstered by the sudden departure from Belgrade of Mr. Paul Volcker, the Fed Chairman, for Washington. And despite a small technical correction the next day, the surge persisted into the second half of the week.

Not surprisingly, the fastest moving stocks were the metal companies as investors tried to cash in on soaring metals prices, and then equally rapidly pulled out when gold began to turn. But the market's biggest gains were sustained by quite heavy buying of blue chip stocks—a sign, possibly, of growing investors confidence.

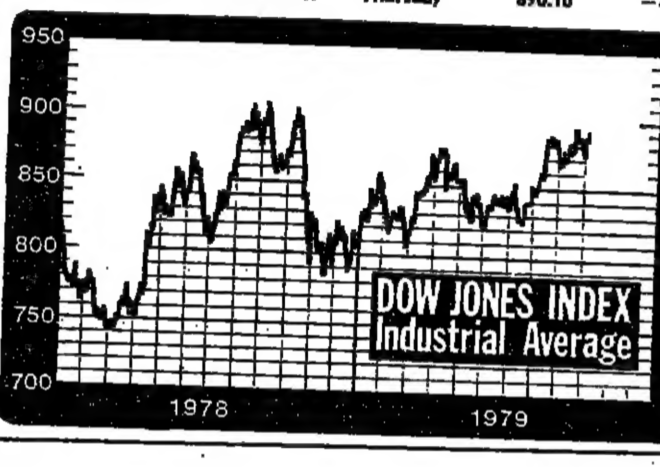
Oils had a good week on news of new discoveries. So did chemicals and some defence-related industries. But gold and silver miners were down, as were copper companies.

Apart from metals, there were few "special situations." Takeover activity is going through a bit of a lull. Ironically, Shell Oil's $3.65bn bid for Belridge, the biggest U.S. takeover ever, hit the market last week but made no impact whatsoever. This is because Belridge only has about 1m shares outstanding, and these are traded across the counter. But the Shell bid is part of a broader pattern which could affect the market in the coming months. Many analysts see it as evidence of the oil companies' strong desire to increase their U.S. domestic oil assets. Small oil companies with large reserves could therefore become prime buy-out targe

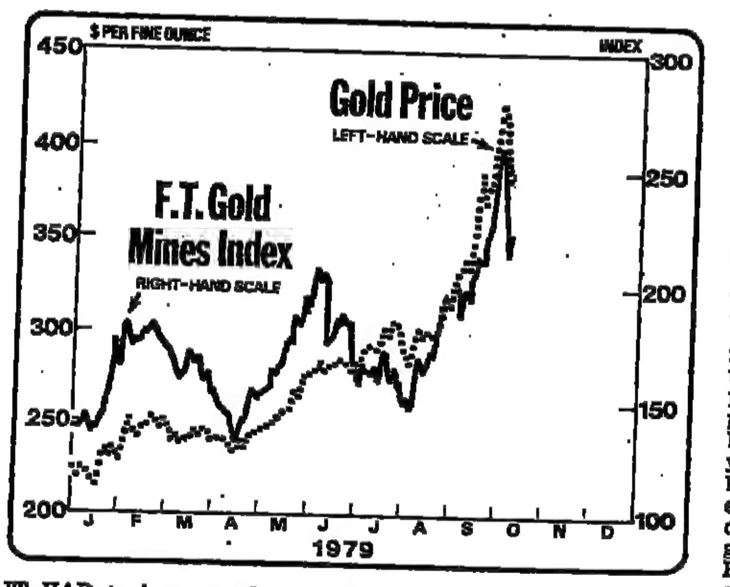
October is always a tricky month for stocks, and the outlook is particularly hard to read at the moment. Few would argue that the economy is not in recession. But the statistics can still spring surprises. Leading indicators for September were flat—not down as was expected. Unemployment fell too, suggesting that the economy may not be as weak as many people think. But inflation still surges ahead, with the latest producer price index quashing all hope of an abatement this autumn.

There's another cloud on the horizon, the 50th anniversary of the great crash on October 29, 1929. Wall Street has already embarked on a round of nostalgic reassessments, most of which conclude it could never happen again. But the memory lingers on.

Day	Close	Change
Monday	872.95	−5.63
Tuesday	885.32	+12.37
Wednesday	885.15	−0.17
Thursday	890.10	+4.95



Here comes the bogeyman



IT HAD to happen, of course. No market can maintain an advance as hot as that seen in gold without boiling over. So when the bullion price ran out of steam this week after having touched a record $447 per ounce, the only real surprise among seasoned market observers was that it had taken so long to happen.

What changed the market's course was not the announcement at the Belgrade meetings of the International Monetary Fund of any firm proposals to deal with the plight of the U.S. dollar and to dampen the rise in gold.

All that has come from the IMF has been talk in high places of unspecified action such as the comment of Herr Fritz Leutwiler, president of the Swiss National Bank that it was "conceivable" that central banks might intervene in the bullion market by selling part of their reserves.

This kind of talk, which can give rise to all sorts of rumours, is far more sinister as far as a vulnerable market is concerned than firm proposals which can be calmly assessed and taken into account. The greatest enemy of any market is uncertainty; the devil you know is preferred to the devil you don't know.

So effective has been the IMF approach that the gold price has been in hot retreat. But dealing with an inflated market price is one thing, curing a sick U.S. dollar is quite another.

Forecasting the near term course of the gold price is clearly impossible. But while gold has boiled over, it has not extinguished the fire under the pot; the basic factors which have fueled the demand for gold have not changed. And yesterday the bullion price rallied strongly from an earlier low of $367½ to close the day $5 up on balance at $387½.

There may be squalls ahead, but this does not seem to be the time to part with good class gold shares, the prices of which, incidentally, have suffered more than that of bullion. It is also possible that the mining finance houses, which derive a sizeable proportion of their earnings from sharedealing, will have been selling into the recent rise and may now return as buyers.

At all events there is plenty of lee-way for the bullion price to slide back before mine profits even begin to feel the pinch. In the June quarter they were buoyant at an average price received of around $260. Those for the past three months will reflect a price of around $310 and could be quite exciting.

The season opens with the Gold Fields group mines which are due to publish their September quarter profits on Tuesday; the parent company is due to announce its annual results on the following day.

While the price of platinum on the free market has been jumping to new highs—it touched $645 per ounce earlier this week—the major producers, South Africa's Rustenburg and Impala, have been continuing to sell the metal at their fixed price of $380.

One reason for this is probably that they do not trust the high free market levels and their aim is to keep their prices as stable as possible, even though the latter have to be adjusted from time to time.

The other reason is that they do not want to unsettle the important market in Japan for platinum jewellery, particularly at a time when the mines are expanding their production capacity.

Impala's Mr. Ian Grieg recently pointed out that some price resistance had been already felt in Japan where imports of platinum fell by over 7 per cent in the first six months of this year.

And in Tokyo this week Sir Albert Robinson, of Rustenburg made the point that: "Rustenburg will continue to base its business on a reasonable producer price, whatever may happen to the speculative free market price."

MINING

KENNETH MARSTON

Having lived through a painful boom-and-bust experience the platinum producers now prefer to play it cool. This partly explains why Rustenburg's dividend total for the year to August 31 has been brought up to a less than expected 20 cents against 8 cents last time despite a greater rise in net profits to R77.9m (£43.1m) from R25.8m, earnings per share being 63.1 cents against 20.9 cents.

"Notwithstanding the excellent results achieved," says Rustenburg, "your company intends continuing its policy of strengthening its financial resources in order to be better able to withstand any possible adverse change in circumstances."

The opportunity has thus been taken to repay loans of some R48.5m. At the same time, Rustenburg looks to be set for another good year and a further increase in dividend, possibly to 35 cents may be on the cards. At the current share price, however, this would be a minimum expectation as far as the market is concerned.

While precious metals have been taking most of the limelight this week, Australia has provided a good deal of interest in other minerals. Particularly so in the rush of bids for the Australian Government's offer of its half share in the A$300m (£155m) Ranger uranium venture in the Northern Territory.

Mr. Doug Anthony, the Trade and Resources Minister, has received 17 firm bids, these having come from companies in Australia, the U.S., Italy, Korea, Japan, France, Canada and the UK.

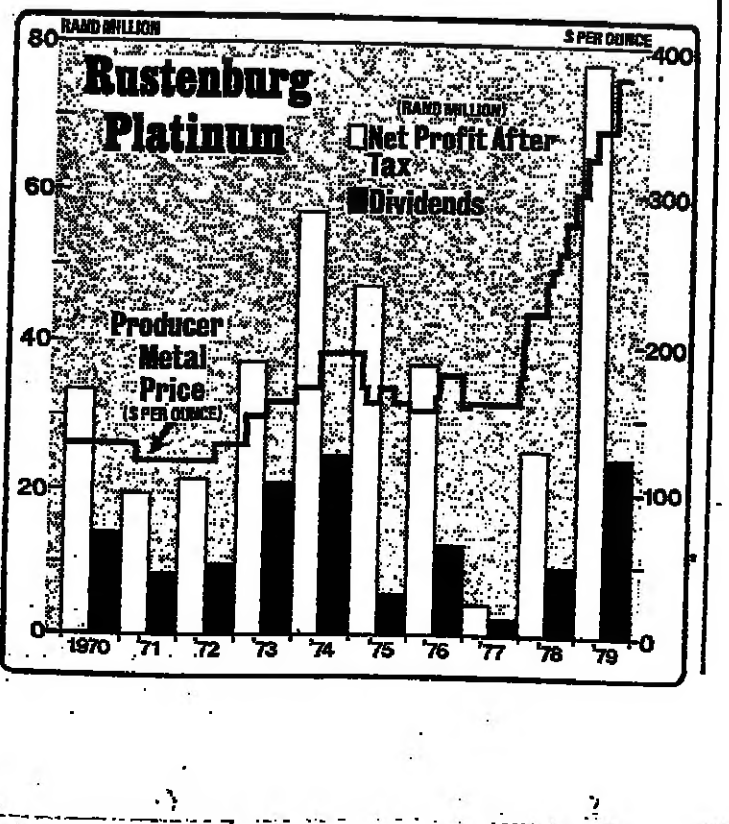
Details of the tenders are to be disclosed in about a fortnight, but it is known that the companies which have applied include the U.S.-controlled Utah Development, The Rio Tinto-Zinc group's Australian Mary Kathleen and Australia's Peko-Wallsend.

Peko and its partner, EZ Industries, each own 25 per cent of Ranger and the former has said that if its bid is successful it will put the enlarged 75 per cent holding into a new company, Energy Resources of Australia.

The idea is that shares in the newcomer would then be offered to the Australian investors and financial institutions. But up to a maximum of 25 per cent of the ERA equity would go to major, unnamed overseas electric utilities which would be required to provide sufficient uranium purchase contracts to ensure the viability of the project.

Peko also has the right to match any alternative bid the Government may receive for its holding. On this basis Peko may well have the edge on its competitors.

If the company does win, the possibility arises of Peko becoming a target or a bidder or, at least, of attracting more investment interest from the Australian financial institutions which have big funds looking for a home.



Avoidance of capital gains tax

BY OUR LEGAL STAFF

With reference to your reply under "Avoidance of Capital Gains Tax" (May 26), if medallions or stamps are sold at auction the chances of their being bought by the same person is likely to be remote. If so, a large collection could be sold item by item and thus would not be taxed as a single asset. Is this correct?

Yes—that is indeed what we were implying, when we quoted the anti-avoidance provisions of subsection 4 of section 28 of the Capital Gains Tax Act, 1979, as follows "If two or more assets which have formed part of a set of articles of any description are disposed of by that same person and (a) to the same person and (b) to persons who are acting in concert or are connected persons, whether on the same or different occasions, the two or more transactions shall be treated as a single transaction." Such a rule as that to which you refer seems to escape this.

A squatters possession

The Council demolished two houses next door to me in 1965. The land became derelict, I reported this to the Council and was informed that they had no responsibility for its upkeep. As a keen gardener I decided to take over about half the land, which I fenced in in 1967 and have cultivated since then. Would you advise me if I have "squatter's rights" after this length of time despite the fact that the Council own the land?

If your fencing clearly excludes all other people from using the land you will have acquired the fenced area after 12 years of use provided that the true owner is not under a disability. There are recent decisions concerning the question whether the squatter's possession is "adverse" where the true owner has no immediate use for the land, but we think that cultivation of the land which you indicate should overcome this difficulty as being "adverse" on any basis.

Commencement of duties

I have recently started work for a City employment agency as a temporary worker. The client company at which I work is at Croydon. Can I claim travelling expenses from the agency office to the client's office?

One crucial question is "Do your duties commence before you get into your car each morning and continue until after you get out of your car in the evening?"

From what you say, your duties do not commence until after you arrive at the Croydon office each morning and they cease just before you leave the Croydon office each evening. If that is so, then you are not entitled to tax relief under section 189 of the Income and Corporation Taxes Act 1970, because you are not "travelling in the performance of the duties" of your employment, but merely travelling (otherwise than on horseback) to enable you to perform the duties.

A wife's capital gain

A wife, living with her husband, makes a capital gain in 1972. The husband did not know of the sale or the gain till 1975, after the wife had left him. It seems that in certain circumstances the Revenue may collect from the wife income tax charged on the husband in respect of the wife's income. Is there a corresponding provision in regard to capital gain's tax, and if so, can the husband insist on the Inland Revenue claiming from the wife?

From the facts outlined, it looks as though the husband will be left with the CGT bill. The Inland Revenue have power to look to the wife for the CGT on her gain, but they cannot be compelled to use this power.

Since it is likely that the husband will be needing the services of a solicitor on matters arising from the separation, it would be wise to discuss the CGT point at the same time, fairly soon.

A disallowed claim

I was told that a house I own had subsidence problems so I made a down payment of £500 to a building firm for underpinning work. An inspetion hole was excavated for which I paid separately £54. It turned out that there was no subsidence, so I asked for my money back, but the firm had disappeared, and a solicitor, to whom I paid £100, failed to trace them. I put this £654 into my tax statement as a set off to my income from unfurnished lettings, but it was disallowed on the ground that no maintenance or repairs had in fact been done. Is this right?

On the bare facts given, only the payment of £54 appears to satisfy the criteria of section 72 of the Taxes Act.

Unless you have made an election under section 67(2), section 72 does not actually apply to you, but similar criteria are likely to be held to apply to computations under case VI of schedule D.

Covenant for an infant

My parents are considering giving ou rone year old daughter some money over a period of time by way of a covenant. Does this money have to be invested directly in my daughter's name, with the very limited opportunities this allows for a child of her age, or can it be invested by me on her behalf without suffering tax on the income (assuming her total income including that covenanted does not exceed the single person's allowance)? Is there any reason why the money cannot be used at a later adte to pay school fees for her?

Subject, of course, to any stipulations contained in your parents' deeds of covenant (on which they will doubtless be seeking the assistance of their solicitor), wou will have the normal rights and limitations of action of the guardians of an infant in administering your daughter's assets. It is essential that her funds do not become mingled with your own, lest her income be caught by the wide antiavoidance net of sections 437 and 444(2) of the Income and Corporation Taxes Act 1970.

NHI contributions and earnings

My wife has several small jobs which in aggregate give her an earned income of some £900 t o£1,100 per annum. I am aware that there is the wife's earned income allowance of £1,165, up to which she can earn before any of her income becomes assessable on top of mine, but am not so sure about the NHI contribution aspect. Will it be worth our restricting her earnings at a certain point to keep her below a threshold for these contributions, and how much are they? Is she liable to have to pay contributions on more than one of her jobs? In one case she is employed by me assisting with farm administration.

In many respects, social security tax rules are more complex (and more arbitrary) than income tax rules. Your wife could indeed find herself liable to pay a combination of class 1 (employed) and class 2 and 4 (self-employed) national insurance contributions, although this is unlikely on the figures you suggest.

To help you to understand the various income limits, etc., for each class of NIC, you wife may like to ask your local DHSS office for copies of the following free leaflets:

NI1—National insurance guidance for married women;

NI27A—Guidance for people with small earnings from self-employment;

NP28—Class 1 contributions for people with more than one job.

Party walls in London

I have a long party wall attached to my Hampstead property—apparently my wall as the buttresses are on my side which for a considerable length supports the gardens and earth works of several neighbouring properties.

With the weight of earth which must be considerable as the properties are on a hill and I am lower than the other properties, what will be the legal position when one day the wall collapses and my neighbours' gardens spill into my own.

You appear to be in the Inner London area, in which case special rules apply in the case of party walls under the London Building Acts. You would be wise to consult a surveyor before the wall which you describe gives way; as you may well have no remedy if a collapse occurs through nothing more than neglect to repair the wall.

A couple's earned income

I shall be 65 years old next April and expect to retire and to have jointly with my wife a pension income perhaps falling between £5,000 and £5,960. Under these circumstances I gather from an article in your paper on June 16 I might have to pay some tax at 50 per cent. Is this correct?

The average effective rate of income tax on the (earned) income of a married couple one (at least) of whom was born before April 6, 1915, is indeed 50 per cent on the band from £5,001 to £5,960 for 1979-80, rising abruptly from 30 per cent and reverting to 30 per cent at £5,961. The figure of £960 is simply 150 per cent of (£2,455 minus £1,815), under section 8(2) (a, c and d) of the Finance (No. 2) Act 1979. The figures will, of course, be different for 1980-81 (for people born before April 6, 1916), so you cannot do precise calculations in anticipation.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Allotment in a false name

Is it legal for an applicant for a public offer for sale of shares to use a false name in an attempt to obtain an extra allotment in an oversubscribed issue? What is the ownership status of an allotment letter sent in the false name to such an applicant?

We think that it is not unlawful to apply for an allotment in a different name, even if that is not a name by which the applicant is normally (or ever) known. The allotment letter would belong to the person making the application.

A returning resident

Could you tell me what the current exchange control regulations on maintaining bank accounts abroad for those returning to reside in the UK? In particular I hold a joint savings account in West Germany with my wife, who has dual British/German nationality and we are anxious to retain this account.

If you are returning to this country for permanent residence, you will be treated, for Exchange Control purposes, as resident in the UK from the date of arrival. If you are uncertain as to your future plans, you may be entitled to retain your non resident status for three years. If you are non resident you will be completely free of any Exchange Control restrictions.

If you are resident for Exchange Control purposes, you will not be allowed to maintain a bank account outside the UK unless you have good reasons for doing so, such as looking after property owned by you outside this country. In addition any income which you have from non-sterling area securities will have to be brought to the sterling area and any share certificates will have to be held to the order of an authorised depositary in the UK. These rules will not apply to your wife providing she retains her German nationality. She can claim exemption from the Exchange Control regulations in relation to assets owned by her before she becomes resident here; providing she applies for this exemption she will be entitled to deal with assets at the date she becomes resident here free of Exchange Control restrictions. She will not have to have her shares held to the order of an authorised depositary nor will she be obliged to bring the income from non-sterling area securities in this country.

Australian shares

I have recently sold shares all in the same company which I bought—or acquired following bonus issues—on various dates in the past nine years. I now want to establish a purchase price by "pooling" the total number of shares and overall cost. I do not have the exchange rates at the date of each transaction. Do I need this information or could I obtain the average price in Australian currency and use the rate of exchange at the time of disposal?

These shares are all "premium worthy"; does this mean I have to use the premium rate of exchange and not the spot rate?

Whether you use the precise exchange rates (or only approximate ones) is up to you and your tax inspector to agree. The average rates for the past nine tax years are as follows:

1969-70	2.147
1970-71	2.147
1971-72	2.156
1972-73	2.013
1973-74	1.662
1974-75	1.69
1975-76	1.846
1976-77	1.464
1977-78	1.602

Whether the premium rates are appropriate (for purchases after June 18, 1972) depends upon whether the Australian currency with which you paid for the additional shares on each occasion was itself investment currency. It is a pity you did not give us more precise facts and figures upon which to base our reply.

No doubt you have considered the question of possible chargeable gains and allowable losses arising upon withdrawals from your Australian bank account (under paragraph 11A of schedule 7 to the Finance Act 1965).

A shattering experience for drivers

INSURANCE

JOHN PHILIP

LOSING ONE'S windscreen is a shattering experience in more ways than one, principally because it is one of those events that happens to other motorists, not to oneself.

The average private motorist runs the risk of having one accident during every five to six years of driving—in modern mileages, around every 50,000 miles covered. So in the course of a couple of decades of driving, the average private motorist will be involved in three or four accidents.

In that same couple of decades it is most unlikely that he will lose his windscreen or have any window broken, independently of collision. Firm statistics on windscreen breakages are hard to come by, but it has been said (I cannot attribute the source) that the average motorist faces a windscreen breakage around every 300,000 miles, or something over 30 years of driving.

But with over 17m vehicles on our roads, including 14m cars and small vans even the occasional incidence of windscreen breakages means that around half a million windscreens have to be replaced each year. And for the average British manufactured family saloon, the cost of replacing a windscreen is now in the region of £50.

Price of course is infinitely variable — laminated windscreens are roughly twice the price of ordinary toughened windscreens, while tinted laminated windscreens are even more costly: £150 or so may be required to replace the windscreen in the larger continental import.

For many "comprehensively" insured private motorists the loss of a windscreen is a nuisance but not much more. This is because the majority of insurers providing "comprehensive" cover pay for the replacement of windscreens and windows without the motorist suffering loss of no claim discount.

But not all are as generous — some have financial limits to the amount of NCD protected cover that they provide; and so the motorist with such a policy has to share in the cost of paying for a new windscreen where this exceeds the £25 or £50 limit (whatever it happens to be) or have his NCD reduced at next renewal in exchange for insurers meeting the whole of the bill.

And of course there are many motorists, not comprehensively insured, who have no insurer to look to unless they have bought special cover separately. For them, coupon insurance is available from many motor insurance brokers for £3 or so, but with these coupons, which provide a year's cover, insurers have firm financial limits. Often a maximum of £50 cover is provided though it is possible to get more on payment of extra premium, usually pro rata to the increase in financial limit. So the motorist buying coupon cover should check what is the current replacement cost of his windscreen before he pays his premium.

Perhaps the most frequent cause of glass breakage is impact from loose chippings lying on the road surface after tarring. Provided road surfacing is done carefully the quantity of loose chippings should not be great. If all motorists observe the warning signs (or if there are none, use their common sense) and reduce speed, the number of chips thrown up should not be significant or dangerous.

But of course things do not happen this way: on occasions there can be large quantities of loose chippings—and even if one drives as carefully as may be there are other motorists who do not and who throw up dangerous clouds of stones.

In these circumstances, has the uninsured motorist any hope of redress? The answer in legal theory is yes—but in practice the uninsured motorist may do better to pay for his windscreen and forget the whole thing. This is because he can only get redress if he can show that someone has been negligent—that the contractor has left excessive quantities of loose chippings—that another motorist has been driving at speed excessive in the circumstances.

All of which, in each case, is a question of degree. It can happen that there are a number of incidents at one place in the space of a few minutes, in which event there is some evidence that the contractor may not have done his job properly. But this kind of information is hard to come by, unless police or the motoring associations have someone at hand who can assist. This does not mean that the contractor is free to do his work badly—he, and therefore his insurers, are legally liable to make redress if, but only if, there is adequate legal proof of fault. The same kind of situation obtains if one wishes to claim against another motorist—quite apart from identification, showing that it was his vehicle that threw up the stones, clear evidence of speed, carrying with it an implication of negligence, is vital.

Everyone who has spent any time handling vehicle claims whether in or out of court knows how difficult it is to get objective and reasonably accurate estimates of speed without electrical apparatus. So here too there is a considerable legally uphill task.

In both cases redress can be obtained, but redress is the exception rather than the rule.

Interest on late tax payments

TAXATION

DAVID WAINMAN

THE INLAND REVENUE armed itself with very considerably stronger powers in 1975 for charging interest where tax is paid late. The shape of this legislation is now relatively familiar, although its operation seems to create more acrimony than almost any other aspect of taxation.

A statutory date is laid down for the payment of tax under each of the schedules and cases to which these provisions apply. Tax actually becomes due on the later of that date and 30 days after the issue of a notice of assessment.

But there is a significant exception to the simplicity of the foregoing—a way in which that primary rule is bent. And then there is a subsequent restriction of that exception. The primary rule springs straight again, causing grievous bodily harm to any taxpayer caught in a vulnerable position. The exception recognises that the tax payable may not have been agreed, and that the assessment may therefore have been estimated and excessive. If this is so, and if the taxpayer appeals against that assessment he may also apply for the collection of some or all of the tax charged to be "postponed."

This application, provided it is granted by the Inspector of Taxes, has two effects. First, interest will not at that stage be charged on that part of the assessed tax which has been postponed, and nor will the bailiffs arrive seeking payment of it: that is to say they should not arrive—but inspectors have been known to forget to tell them. But the second, and perhaps perverse, effect of applying for some of the tax to be postponed is that interest runs on the remainder only from a point 30 days after the inspector agrees to the postponement.

The statutory date, and the normal 30 days from the assessment date can therefore be moved forward in time quite significantly where the taxpayer leaves his appeal and postponement application to the latest possible date, and where the inspector fails to deal with them promptly.

The spring loading in the trap is called the "reckonable day." The legislation again specifies dates for each type of tax, these being in general six months after the statutory dates to which earlier reference has been made. Once this second date is reached, interest runs on the whole amount of any assessed liability then unpaid, even if at that point it is impossible to know what will be the final amount of that liability.

The extreme example must be that of the taxpayer who is in dispute with his Inspector over some point of principle, whether of fact or law. Almost certainly the tax in dispute will have been postponed. But if the taxpayer eventually loses his battle before the Commissioners or in the Courts, he will be faced with nine per cent interest, not deductible, from the reckonable day.

The taxpayers who find its difficult to calculate before the reckonable day the amounts of their assessable income or gains will find themselves in a quandary. One of the most frequently encountered cases is that in which a capital gain cannot be quantified because the asset's acquisition value or "budget day value" remains unagreed. Pointing out that this may have been substantially caused by delays in the Revenue's Valuation departments is of no help whatever to the taxpayer.

But the attentive reader will have noticed that the 1975 legislation triggers off an interest charge only where an assessment has been raised. It is only an assessed liability which costs interest from the reckonable day, the statute moves the moment of truth forward: it then falls thirty days after the date of the assessment.

So can you escape an interest charge by leaving the Inspector blissfully unaware that he needs to make an assessment? What is the position of the taxpayer who delays submitting his return?

A Revenue press release of May 10, 1977 made their disapproval clear. The law has contained for many years provisions for charging interest and penalties where tax is lost through a taxpayer's fraud, wilful default or neglect. The Revenue said in 1977 that interest would be charged where their "loss" of tax consisted of its payment late, throuugh any substantial delay by the taxpayer.

Alleging that a delay means that the Revenue should strictly seek penalties as well as interest. In practice they ask only for the latter—but ask for it from the statutory due date, not the six months later reckonable day. They say that this does no more than put the late payer on all fours with his prompter brethren.

These provisions for penalties and interest can (in the absence of fraud) be operated only where wilful default or neglect has been admitted or proved. The Revenue therefore ask the taxpayer to sign a statement that he is "offering" a composite sum representing tax and interest "in consideration of proceedings not being taken against me . . . by reason of that default."

It is not pleasant having our noses rubbed in it by our most humble, obedient, servants: but dare we complain?

هكذا من الأصل

YOUR SAVINGS AND INVESTMENTS

The preoccupation with U.S. dollars has overshadowed Sterling's recent relapse. **Nicholas Colchester** reports

How a weaker pound can help your portfolio

THE RENEWED weakness of the U.S. dollar has been hitting the headlines recently. It is one of the quirks of the exchange market that sterling, which has been softer than the dollar, has managed to stay out of the limelight. This is partly because the shift of the sterling exchange rate against the dollar—the one most people look at—has not been as exciting as the fall of the dollar against the D-Mark. It is also because sterling has been coming down from levels which industrialists and bankers considered unrealistically high.

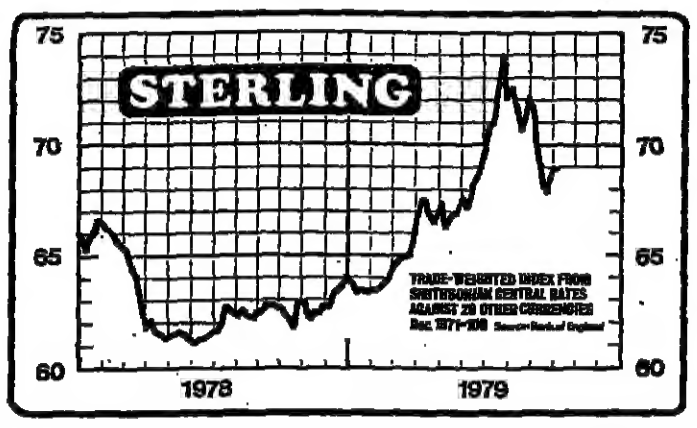
The result of sterling's noiseless retreat has been to shed more than half of the gain the pound registered between the beginning of this year and its high point on July 26th. The Bank of England's trade weighted index peaked on that day at 74: now it is back to 69, a fall of 7 per cent. Against the dollar the pound has fallen 6.2 per cent since that time, and against the D-Mark by 9 per cent.

The pound's movements have been observed by three separate schools of thought in the UK. School one, with which Conservative politicians have sneaking sympathies, welcomes a strong pound because it reduces inflation and forces the UK export industry to improve its efficiency. School two, to which civil servants incline, worry that strong sterling is pricing Britain's export industry out of a job. School three is less interested in the level of the sterling exchange rate but would like it to remain stable.

Out of this blend of views has come an official policy to intervene to remove excessive, self-perpetuating, fluctuations in the sterling exchange rate, but not to interfere with the underlying movement. Nevertheless, officialdom views the current exchange rate with more equanimity than the highs at the end of July.

Company	Profit from overseas subsidiaries %	Price change Jan. 1-July 26 %	Price change July 26-Oct. 3 %
BAT	90	− 6.6	+12.8
Foseco Minsep	71	+ 3.9	+13
Royal Insurance	68	− 9.5	+15
Beecham	70	−13.8	+ 8.9
Standard Chartered	81	+ 1.1	+11.6
Unilever	71	− 8.6	+12.7
Actuaries indices:			
Pharmaceuticals	63	+12	+ 9.6
Office Equipment	64	− 9.3	+ 6.4
Tobacco	70	− 1.2	+ 7.0
Oils	87	+28	+12.4
All-Share	35	+ 9.3	+ 7.5

Source: FT and Phillips and Drew



So does the London Stock Exchange, when it considers British companies which do a sizeable proportion of their business overseas; particularly those which have operations overseas rather than export markets. The table shows a variety of sectors from the FT actuaries indices, and a variety of companies, which have considerable foreign exposure. Brokers Phillips and Drew has provided estimates of the proportion of their profits which come from abroad and which, therefore, rise when sterling falls.

Whereas the All-Share index moved up both in the period this year prior to July 26, when sterling peaked, and in the period since, the share prices of companies like British American Tobacco, Royal Insurance and Beecham showed clear declines in the period when sterling was mounting and clear gains when it was coming back down. To prove that these individual companies are not merely aberrant the selected, foreign orientated sectors confirm the picture.

Only oil shares spoil the pattern, but they, of course, had other developments to celebrate. The other figures show convincingly how share portfolios, and the correct investment strategy will alter with the fortunes of the pound.

A Manx tale . . .

IS SOMEBODY out there trying to pull a fast one? This week readers of the Daily Express were urged by one of the newspaper's advertisers to "Buy the new Gold Sovereign now"—not a bad piece of advice, you might say, in view of the publicity given to such coins in the last few days.

A coupon telling those interested where to write accompanied the details. A quick glance revealed that it was an official limited issue of 50,000 Proof coins, weighing 7.98 grams each and made of solid 22 carat gold. Individuals, the advertisement stressed, would be restricted to two sovereigns, while an illustration showed the head of the Queen one one side and a figure suspiciously like St. George looking menacingly for a dragon on the reverse.

All familiar stuff for those who have been following the story of the Royal Mint's first issue of "proof" sovereigns since 1937. Right?

Wrong. A closer look revealed that this issue is authorised by the Manx Treasury, whereas the "official" mint referred to in the coupon was not of the Royal variety but was instead the Pobjoy Mint, of Sutton, Surrey. Furthermore, the coins were said to be available for the princely sum of £90, against £75 for the Royal Mint's sovereign.

Any connection between the Isle of Man issue's appearance in a newspaper advertisement and the recent announcement of the Royal Mint's proof sovereigns is no doubt entirely accidental. Investors, however, would be quite mistaken to equate the two.

Both coins admittedly contain the same amount of gold and their scrap value at current prices is about £44. It is, however, difficult to see how a premium of around £45 can be justified on these coins, even in view of the recent surge in the price of bullion. Some dealers feel the premium on the Royal Mint sovereign is unrealistically high. Latest news on the Royal Mint sovereign, incidentally, is that successful applicants will now receive only one coin each. The number of orders from interested parties now officially exceeds 50,000 so once demand from those already on the Royal Mint's mailing list has been satisfied, a ballot will be held to allocate the rest. Applications wil be received up to October 15 and the address to write to is: The Royal Mint Numismatic Bureau, PO Box 6, Llantrisant, Pontyclun, Mid-Glamorgan CF7 8YT.

TIM DICKSON

Skandia squeezes the last drop

INCOME BONDS
ERIC SHORT

SKANDIA LIFE has just launched the first two-year bond since 1973 for investors seeking guaranteed income. The bond, which offers 12½ per cent net of basic rate tax, with the investment returned at the end of the period, is a further illustration of the ingenuity of life company planners to extract the maximum benefit from the existing tax rules for the benefit of policyholders.

The plan is the usual construction of a series of pure endowment contracts to provide income and a qualifying endowment assurance with a guaranteed surrender value to provide the return of capital at the end of the period. There is a higher return if the investor dies before the period expires, while the terms of the surrender have been pitched so that there is no clawback.

The parallels with the previous guaranteed income bond boom become stronger every day. In 1972 and 1973 life companies under pressure from salesmen pushed the yields up and lowered the term of their contracts in true auctioneer fashion. The result was repressive legislation in the 1974 Budget, which introduced clawback of tax relief for early surrender of life policies.

The aim of these clawback provisions was to stop investors benefiting over short periods from the tax relief given to life insurance contracts.

Liberty Life with its three-year bond and now Skandia with its two-year plan have shown how to get round the Revenue aim because without tax relief the yield would be very much lower. Investors in this latest plan are getting the full benefit over a two-year period, but the next move is up to the taxman.

It's time for a tax rethink

THIS MONTH'S tax rebates should serve as a pleasant reminder of the Government's decision to cut rates of income tax. Lump sum repayments totalling several hundreds of millions of pounds will over the next few days help swell the pay packets of weekly paid workers while monthly paid employees will receive their entitlements at the end of October or early in November.

The arrival of the extra cash in some households will no doubt inspire a stampede to the shops in order to snap up that much coveted washing machine or colour TV set. Capital goods may well eat up a fair amount of the money.

Those not planning to spend their once only windfall immediately, however, might well stop to consider what these lower tax rates mean for their future investment strategy. Highly paid individuals, in particular, will soon be receiving the sort of sums they may wish to lock away for some time. A single man on £20,000, for instance, will get a lump sum of £1,123.60, a figure which would jump to £2,438 if he were to be earning £30,000 a year.

According to Mr. Walter Sinclair, joint author of The Hambro Tax Guide, the sweeping changes in Sir Geoffrey Howe's first budget have yet to be fully digested. The Hambro Tax Guide*, is a well respected layman's guide to basic tax principles and Mr. Sinclair has just been involved with updating the book in what is now its eighth year. The work, he says, has been demanding this time. "Just because the Financial Statement was reasonably brief, it doesn't mean we didn't have to make a lot of alterations. The changes were, in fact, much more radical than many people realise."

In particular Mr. Sinclair, who is a senior tax consultant with the accounting firm Kidsons, points out that the amount of net investment income which could be received by the highest rate taxpayer is now at least 12½ times greater than under the previous system. The top rate is now 75 per cent (so the investor gets 25 per cent), against 98 per cent before (leaving only a miserly two per cent). Somebody on a big salary without much investment income could, he says, be doing 20 times better: the investment income surcharge of 15 per cent now begins to bite at £5,000, instead of the previous level of £2,250 (for those under 65).

Mr. Sinclair comments, "The change doesn't necessarily mean high rate taxpayers should rush for income investments but they should no longer ignore them and go simply for capital growth."

Turning to more specific areas to illustrate this, Mr. Sinclair feels that single premium life insurance bonds have now become much more attractive. Under the rules for these products it is possible to withdraw up to 5 per cent of the investment each year without paying any tax. The tax is then deferred until the bond is cashed in when the difference between the individual's rate at that time and the basic rate of tax becomes payable. Mr. Sinclair makes the point that the exemption from the basic rate of tax gives high rate taxpayers the advantage of a gearing factor—the extra proceeds after tax from this type of investment will in fact be disproportional to the change in general income tax rates.

One of the biggest changes for the basic rate tax payer, according to Mr. Sinclair, is the new rule regarding tax relief on life insurance premiums. Up to April this year an investor's total income had to be at least six times as much as the total life insurance premiums during the year—otherwise the relief was restricted to premiums totalling one-sixth of total income. The new system allows the larger of one-sixth of total income and £1,500. Anyone earning less than £9,000 of total income can now claim tax relief on up to £1,500 of premiums.

*The Hambro Tax Guide 1979-80. By Professor A. S. Silke and W. I. Sinclair. Published by Macdonald General Books. Price £5.95.

TIM DICKSON

Greenhouse novelty

APART from a pension scheme the regular premium life plan aimed at providing minimum death cover and maximum investment in units is the most tax efficient product for higher rate taxpayers. Dubbed "greenhouse plans" they not only provide tax relief on the premiums, but also offer tax free sums either as capital or income after 10 years.

Investors interested in these schemes, however, are faced with the problem of how to feed in regular payments from a capital sum in a tax efficient manner. Some companies use a temporary annuity, others the five per cent withdrawal facility on a life bond. This week Albany Life came up with a very novel idea.

Under Albany's Performance Index Conversion Plan the capital sum is used to pay the first year's premium under the regular savings plan plus nine endowment policies which mature from one to nine years respectively. The proceeds from these pure endowments pay the subsequent premiums on the regular savings plan. The investment of the whole plan can then be made into any one of the six Albany linked funds with switching available between funds.

This throws up an unusual feature of the scheme. The amount of the maturity money on each endowment depends firstly on the performance of the fund and secondly on the investor's tax rate. Any profit on these contracts is subject to higher rate tax.

Albany has allowed for this by reading the small print of the legislation governing life assurance tax relief. We are all used to the idea of premiums being a fixed amount each year but the legislation in fact permits them to vary within limits without forfeiting the tax relief. No one premium can be greater than twice any other premium or more than one eighth of the total.

If therefore the initial annual premium is £1,000, subsequent premiums can vary between £700 and £1,400.

The advantage of this plan is that the investor puts down his money and waits for 10 years before taking any further action, unless Albany Life performs incredibly well or incredibly badly. If the performance is good so that the proceeds in any one year exceed the £1,400 in the example above, the investor receives a surplus of cash. If the performance fails to reach £700, the investor has to make up the difference.

The plan is described by Albany's managing director, Ralph Sepel as a combination of elegant simplicity of operation with a large degree of flexibility. It is doubtful whether more than a handful of investors will understand how such a plan works, but it is worth a try.

ERIC SHORT

YOUR SAVINGS AND INVESTMENTS 2

Richard Lambert looks at the **BP** share split

Magic wands and Wincott

HEY PRESTO. As from Monday morning, BP's shareholders—160,000 and more of them—will have to get used to seeing their shares quoted in a brand new form. Following the approval of shareholders at a special meeting last Thursday, each old £1 unit of ordinary stock has been converted into an ordinary share and then split down into four units of 25p each. To judge by some comments, you would think it was like winning the pools.

Certainly it is true that BP's shares have performed marvelously well since the split was foreshadowed at the annual meeting last May. But then one or two other rather exciting things have happened to the company since then. There is, for instance, the little matter of the dividend, which the company promised in July would be more than doubled this year. And then there has been the behaviour of the OPEC cartel. Every shake of its sabre makes BP's politically secure oil reserves in the North Sea and Alaska look that much more valuable.

Even Sir David Steel, BP's chairman, sounded a bit uncomfortable last May when explaining the reasons for the split. "Some people," he said, "believe that a stock price as high as this (it was £12 at the time) deters people from investing in the company. There is no hard evidence that this is true."

Actually there is a great deal of evidence that it is not. For example, a Mr. Michael Firth of Stirling University analysed no less than 227 capitalisation issues in the mid 1970's, and found that in themselves they *had no impact at all on share prices.*

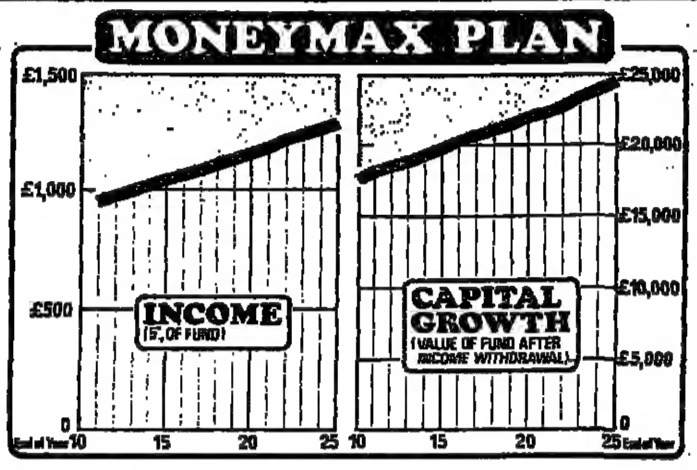
Technically, of course, a capitalisation issue is different from a share split like BP's, but it has the same purely cosmetic effect on the price.

As is so often the case, the late Harold Wincott said it all nearly 20 years ago. He had the fanciful notion that one distant day company chairmen might get aroun dto explaiing to their shareholders in English what such issues actually meant. A couple of paragraphs from his draft circular read:

"I would like to make two points to you should you dispose of all or some of the shares now allotted to you. First, the proceeds of the sale would be capital. Secondly, you should appreciate that your proportionate stake in the company should be reduced, and, in the event of the directors not increasing the amount distributed by the company as ordinary dividend, your dividend income from this company would be smaller than it would otherwise have been.

"In fact, the primary objective of a capitalisation issue, as the present issue is called, is to bring the company's issued nominal capital into better relationship with the real capital employed in the business. Of itself, the present issue can do nothing to improve your company's earning power and hence its ability to pay higher dividends."

Income back in fashion



ONE prime reason for investing is to receive a steady flow of income, a feature which tended to be overlooked in the hey day of go-go investment *for growth.* Life companies, especially traditional ones, are by their very nature geared to provide capital sums so it is good to see that in recent months more attention has been given to the problem of how to adapt traditional with-profits contracts to provide income for investors. Recently, the UK Provident announced its solution to the problem.

UKP's solution is quite simple. It takes its successful Moneymax 10 year scheme and adds an income option. Under this contract, which was discussed here at the time of its appearance earlier this year, investors take out a 10 year with-profits contract. At the end of 10 years, the maturity money is effectively held on deposit until the investor needs the money, something the investor could do for himself by taking the maturity money and putting it on deposit or in a building society. The life company, however, can do the investment on a more efficient basis.

Now UKP has rewritten the plan so that investors can withdraw part of their money completely tax free at any time whenever they wish, just like making a withdrawal from a deposit account. The plan offers complete flexibility in that the investor can withdraw any amount at any time. Providing interest rates generally remain high, the investor should be able to draw a rising income while still improving the capital value of his investment.

The graph shows under current investment conditions how an investor who has saved £100 per month for ten years can take a yearly income of 5 per cent of his fund. At the end of ten years his capital is worth £17,832, his income over the next 15 years rises from £958 to £1,287 a year, while his capital still grows at £24,453 over the period.

The number of life companies which have attempted to provide a flexible income for investors can still be counted on the fingers of one hand. Scottish Equitable with its Cheque Plan and MGM Assurance with its Maturity Income have adopted a similar approach to UKP, while the Scottish Provident's Hallmark scheme uses the flexible endowment approach with the investor cashing-in portions of the policy to provide income.

None of these plans yet provides the flexibility of a unit-linked product. But there are plenty of investors who like the financial guarantee provided by with-profits contracts and UKP is considering offering a longer basic investment period than ten years.

Investors who want immediate income from a life insurance contract will invariably need to use unit-linked contracts. Income is provided by taking out a bond, using the withdrawal facility, and cashing in enough units to provide the required level of income. The number of units which have to be cashed in depends, of course, on the *unit price at the time of cash-in.* Under this withdrawal facility, up to 5 per cent of the original investment can be cashed in with no immediate liability to higher rate tax.

If the unit price is rising faster than the level of withdrawal, then the investors is not eating into his capital. Such is the psychology of some investors however, that it is impossible to convince them on this point: their simple philosophy is that if they are cashing-in units they are drawing on their capital.

Recently, Schroder Life has followed the lead given by Solar Life and Chieftain in launching a new fund—the Income Distribution Fund—designed to avoid this very conflict.

ERIC SHORT

Breaking down the pin-stripe image

STOCKBROKERS

TIM DICKSON

A FEW eyebrows may well be raised in the corridors of City stockbroking firms following the launch this week of the Capel-Cure Myers money care services.

The eyebrows will be twitching for at least two reasons. First of all, a carefully orchestrated advertising and marketing campaign involving upwards of £100,000 isn't the way most firms would set about increasing their private client base.

Some people, for instance, might consider such an approach out of keeping with the City's traditional means of getting to know pople via persinal introduction. Others might contend that the central motif of the campaign, a golden tack, (as opposed to a brass tack) is gimmickry unbecoming for a stockbroker.

The second protest which is boun dto be voiced by Capel-Cure's rivals is that plenty of other firms already provide good independent advice for their private clients. The money care services operation, it could be argued, is simply an eye-catching name for a range of services which clients would anyway expect.

In answer to these criticisms, I can only sympathise with the contention of John Henderson, Capel-Cure's private client partner, that there are a bewildering number of unit trusts, building societies and insurance products on the market and few impartial advisers who can lead investors through the jungle.

"By promotiong CCM money care services we are attempting to persuade private investors that their money can be made to work for them and that a stockbroker is not only approachable to large and small alike but is the right adviser."

Certainly stockbrokers as a whole do not have an outgoing image and Capel-Cure's undertaking to get around and meet the investing public should be welcomed. As the brokers say themselves the campaign is partly designed "to break down the barriers between city institutions and their clients."

Can Capel-Cure, however, provide advice more impartial than that a host of other financial institutions are always anxious to provide? Quality alone will no doubt tell in due course but two observations are worth making in the meantime.

First, Capel-Cure is no longer linked to an outside firm of insurance brokers. Their expertise in this field is an in-house advisory service and as such there should be less incentive to generate commission in this area.

The second point concerns the brokers' Unit Trust Selection Service, which is run by the former head of Hoare Govett's Unit Trust Advisory Service, Mr. Robin Boyle. Significantly, Mr. Boyle rules out investment in Capel-Cure's own unit trusts, thereby eliminating a potential conflict of interest.

Barclaycard now in line with Access

CREDIT CARDS

TIM DICKSON

THE 4.6m users of Barclaycard in the UK will be paying out roughly £3m-£4m extra annual interest from next February.

This follows the announcement by Barclays during the week that it is to change the method of calculating interest charges on Barclaycard statements. The move will effectively remove a significant advantage which the bank enjoys over its big rival Access.

Prudent cardholders who repay their debts in full each month will not be affected by the change and will continue to enjoy between 25 and 56 days interest free credit.

Anyone, however, who doesn't wipe off the outstanding balance on each statement within the 25 day credit free period and opts instead to take extended credit will in future pay more. They will only be allowed free credit from the date of the transaction up to the date of the statement on which that transaction appears. After that interest will be charged on the unpaid balance outstanding each day rather than on the balance left outstanding 25 days after the statement date, which is the present system.

As the man from Barclaycard says, it's all a question of "charging daily in arrears instead of monthly in advance."

Barclaycard gives the example of someone with £100 shown on his statement who decides to take extended credit. If £15 is credited to his account 10 days after the date of the statement, the cardholder will have borrowed £100 for nine days and £85 for the remaining days (say 22) before the next statement. This gives a daily outstanding average balance of £89.35 and the interest charged will be £1.82, against £1.70 at the moment. If part repayment is delayed for 20 days, the interest charged will be £1.93.

Most people either use credit cards for convenience (and pay off the outstanding amounts each month) or they are prepared to suffer the high interest charges (in the case of Barclaycard and Access a true annual rate of 26.8 per cent) in order to gain access to a line of credit. The changes announced last week will probably not hurt them unduly.

It is interesting, however, that Barclaycard, whose profits according to the last Barclays annual report were in excess of £10m., last year, should opt to forego its marketing advantage for the sake of £3m-£4m in extra profits. The decision perhaps reflects the credit card user's lack of awareness, or concern, that the advantage existed in the first place.

PROPERTY

A hole in the bucket

BY JOE RENNISON

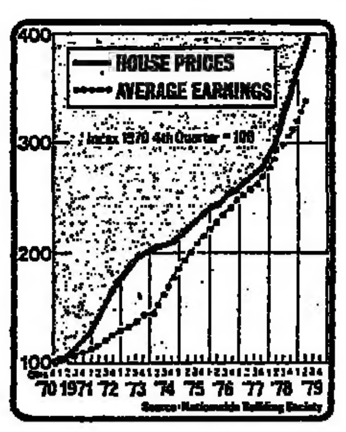
AS THE AUTUMN leaves begin to fall a substitute foliage is beginning to sprout—the estate agents' FOR SALE boards. They will bring colour but, it seems, little comfort to many a street up and down the country. The buyer's market season is with us again.

After an 18-month bout of rapidly rising prices the bubble seems to be bursting. And it is happening in both sectors of the market if one can roughly divide it so; the "ordinary" house in the lower to middle price range bought on a building society mortgage and the money-no-object luxury sector. The reasons for this are the same for both sectors.

Prices in the mass housing market had become overstretched: the enthusiasm for higher and higher gains has nowhere further to go. Earning capacity and ability to buy are obviously directly linked. As the accompanying chart shows the gap between house prices and average earnings has been widening in the last 18 months (and is getting to be as large as when the market began to falter in late 1973). House prices now average about 3.6 times average earnings whereas the long-term average is about 3.3 times average earnings.

The second reason is the current shortage of building society funds. In a rapidly rising market such a shortage has very little effect on prices: potential buyers will beg, borrow or steal from relatives or the bank to be able to get in on the market. But when confidence is eroded the shortage has a much more depressing and delaying effect. The outlook is not promising. The Building Societies Association is forecasting net receipts of only £300m a month in the months to come whereas they would need about £400m to meet demand. And mortgage rate already at 11¾ per cent looks set to rise soon.

The position of the vendor is not a happy one. In 1974 for instance, there were still plenty expecting, nay demanding top prices almost a year after the market had collapsed.



Now this is by no means the same situation as then when the end of the world seemed very nigh for everyone. But it is a fair bet that the psychology will remain the same. It will take a long time to convince many people that what goes up need not continue to go up and up and up. Meanwhile the agents' boards will increase in number and variety. Although London looks fair to feel the draft most there will be some parts of the country where the market is still catching up.

At the funny money luxury end of the market it would seem that the blood letting could be severe. There have already been hair-raising stories about drops of thousands of pounds in the asking prices of some properties but no doubt some of this has been exaggerated.

Nevertheless there will have to be an adjustment. This part of the market has seen some extraordinary prices paid for London and country mansions in the last few years and like the other end of the market it has now gone too far. But there is a further complication. The floodtide of rising prices came about because of the interest of foreign buyers particularly the Arabs. The foreign buyers have now almost all disappeared from the scene and it is dependent on domestic purchasers.

The British cannot afford the inflated prices that have been paid heretofore. The rich like the rest of us are also worried about the rising tide of inflation and the very high interest rates which have applied in recent months. They too may have to borrow to buy and the effect is much the same as that on the mortgage market.

Both vendors and agents are recommending lower asking prices in the country house and metropolitan mansion market. The fear of discontent in the coming winter is again given as a reason, particularly for country properties where life can be made miserable by the non-delivery of oil and other necessities.

The agents are trying to make the best of this by saying that after the bullish prices of recent years the houses can now be marketed at "realistic" prices or "the right price."

A foot on the ladder

BY JUNE FIELD

MAKING a start in the home-owning market gets more difficult all the time. And if at the end of the day, the first time buyer cannot afford to buy, the whole property market will slowly grind to a halt, because overall, buying and selling is a chain reaction, declares Richard Austen of Humbert's Salisbury office.

Mr. Austen is of the opinion that now the first time buyer's house has almost reached the £20,000 mark, the market will level off, as this buyer is already experiencing considerable difficulty in amassing such a figure.

"Not many can afford to take on a mortgage of over £15,000, bearing in mind the repayment on £15,000 is about £158 a month. This leaves them to find from their own resources, £5,000, which to most young couples takes a great deal of saving."

For those who have some savings, and the necessary status, some building firms offer mortgage incentives. Barratt's claim that they make sure that all their houses, bungalows and flats have built-in mortgages, and if you reserve a property before October 31, they guarantee that the interest rate will be frozen at 11¾ per cent for a full 12 months. (The rate for existing mortgage holders is due to go up to 12½ per cent on January 1.)

To fix the purchase price of a house you need only put £100 down at today's prices. For details on Barratt property from £11,000 to £100,000, some costing from under £16 a week to buy, plus the whereabouts of the company's 380 show-houses around the country, contact Housebuyer's Information Service, Barratt Developments, Wingrove House, Ponteland Road, Newcastle-upon-Tyne.

At the Modern Homes Exhibition, Kelvin Hall, Glasgow, this week, on until October 20, Barratt's launched two new building styles, one a mini-bungalow with only one bedroom, suitable for first-time buyers or retired couples. Details, with plans, from Jim Raeside, sales manager, Barratt Developments (Glasgow), 90 St. Vincent Street, Glasgow.

With some 500 building societies, 120 life offices and over 50 major finance houses in the U.K., lending policies vary. The rule of thumb for borrowing on income, 2½ times your taxable salary, can be interpreted in different ways at branch level. One society may lend 2½ times a husband's income, and half a wife's; another might offer 2¾ times the highest income and part of the other. Mortgage brokers can advise on the best terms; and their job is not only to know from where the money is available, but when it is. John A. Halladay, chairman, The Corporation of Mortgage, Finance and Life Assurance Brokers, 24 Broad Street, Wokingham, Berkshire, will send free leaflets describing services, and supply the name and address of a CMB broker in your area.

Mr. Halladay makes the point that mortgages should be negotiated in principle *before* house hunting, not afterwards. He also warns that advertisers claiming 100 per cent mortgage facilities available, should be viewed with some considerable suspicion.

"There are not many occasions when a 100 per cent building society advance will be available, especially within the market to which these advertisements are aimed."

As to charges, he reminds that professional mortgage brokers do not normally charge fees where adequate life assurance is arranged concurrently with the mortgage, and that where brokers propose to levy an overall charge in excess of 2 per cent of the mortgage sum raised, or to collect brokerage in advance, then prospective borrowers should consult other brokers.

In London, the Greater London Council recently created a new department, the Directorate for Home Ownership, to co-ordinate its activities on house sales to Council tenants, the "homesteading" scheme and home loans. (For information sheet send s.a.e. to John C. Mitchell, director GLCD, 20 Albert Embankment, London, SE1).

The Council does not operate like a normal estate agency or building society, its sales activities are principally geared towards its tenants who are, of course, by definition, generally first-home buyers, although some of their open-market sales are to non-first time buyers. Special 50/50 sales are offered on vacant possession sales, particularly on new developments where the purchaser buys a leasehold interest representing a half-share in the property, and pays mortgage repayments for that half while he pays half rent for the remainder from the Council. At a later stage the purchaser can buy the Council's half (the freehold reversion), at the current market value and become the full freehold owner.

The Homesteading scheme is intended to help first-time buyers who have lived or worked in Greater London for 12 out of the preceding 18 months to renovate dilapidated property in Greater London. The potential homesteader finds a suitable property and agrees with the owner on the freehold sale. Provided the property is valued by the GLC at not more than £19,000, and repairs, excluding redecoration, are estimated to be at least £2,000, the GLC can arrange to purchase the property and resell it straight away to the homesteader under a special mortgage.

Under this mortgage the GLC will specify certain works of repair and improvement which must be carried out to the property within a specified period. During that period, which could be as long as three years, no mortgage repayments would have to be made.

The other way in which the scheme works concerns properties, suitable for homesteading, already in the Council's possession and advertised through local newspapers or through a permanent exhibition at County Hall. The sales are made on a first-come, first-served basis and the conditions are the same as those where the homesteader finds the property independently. If the house is resold within the first three years, or the necessary work is not completed within the required time, the GLC can require the waived interest to be paid.

Properties in Windsor command good prices; £135,000 is being asked for this 5-bedroom Tudor-style house in Bolton Avenue, near the town centre. A recent survey by the Berkshire Archeological Society revealed that the house is on the site of a medieval gate house. Inquiries, Jeremy Agace, Mann & Co., 70 High Street, Esher, Telephone Esher 67073.

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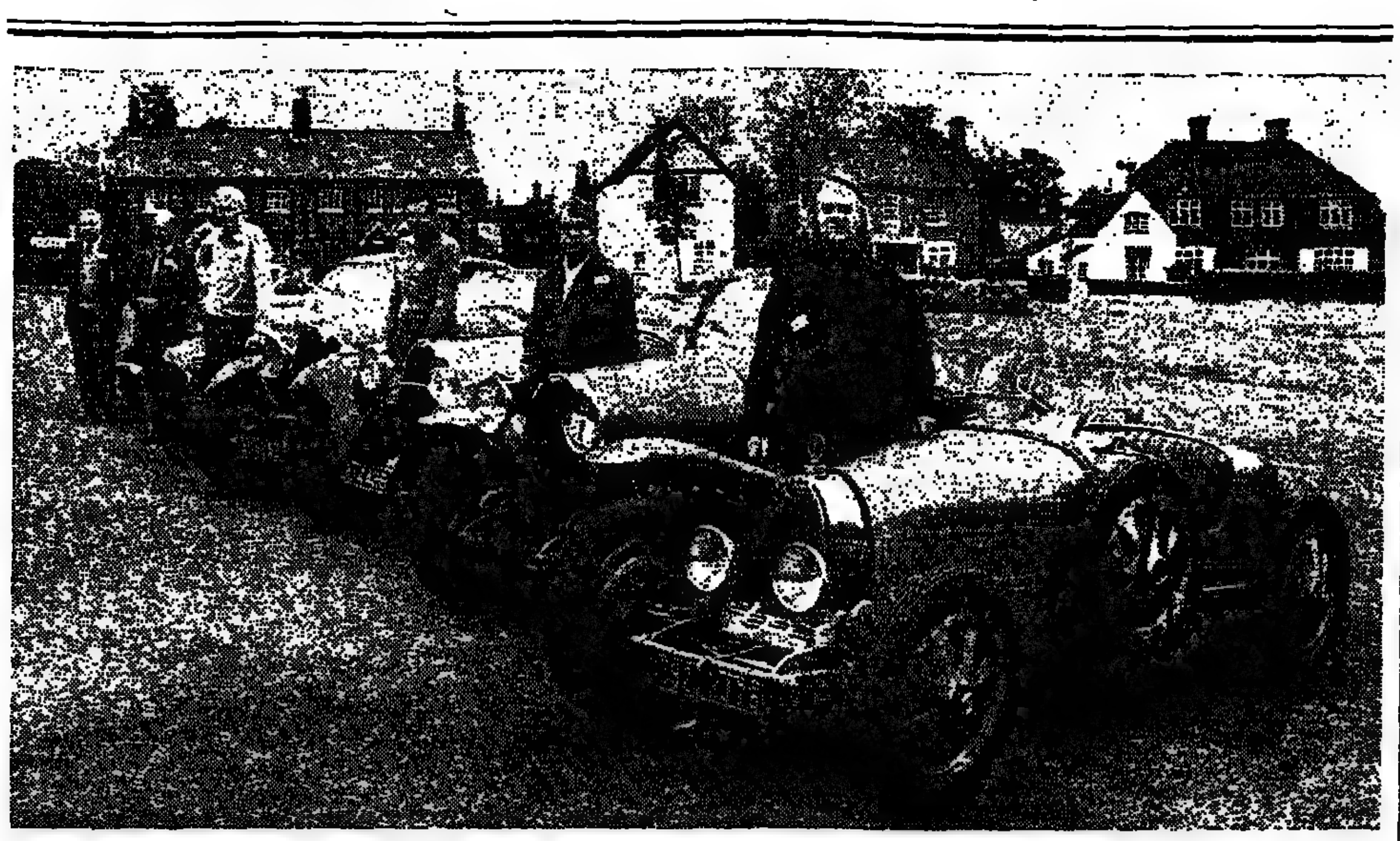
MOTORING



Members, and machines, of the Bugatti Owners Club. Picture, Hugh Routledge.

Classic trials

BY STUART MARSHALL

IT WAS LIKE being present at the opening of a very old bottle of Chateau Margaux. A moment that might turn out to be as magical as the experts had promised but which might equally prove to be a great disappointment.

The analogy is fair, for if there is such a thing as the automotive equivalent of that noblest of all French wines, it must be a car made by Ettore Bugatti.

The car has become a legend. About 8,000 of them were made in a former dye works at Molsheim, Alsace, between 1910 and the outbreak of World War II. Perhaps 1,600 of them survive, of which 150 or so are in Britain. One can't put a cash price on a Bugatti for each one is worth what a wealthy collector is prepared to pay for it. But it's fair to say that a 1935 Type 57 with a close-coupled saloon body made, most unusually, by Bugatti themselves, and restored to "as new" condition, would dent a bank balance as deeply as would the purchase of a brand-new Rolls-Royce Silver Shadow II.

Yet there I was last week, sitting behind the wheel of this elegant car, feeling I should have been wearing a double breasted chalk stripe and a trilby instead of a pullover and cap and being urged by its owner, a retired furniture manufacturer called Henry Posner, to do whatever I liked with it.

"You will," he said, "need to double declutch all changes, up and down, and even then you may have the odd spot of bother because all Bugatti gearboxes have wills of their own. And don't rely too much on the brakes; they're not very good."

The 3.3 litre straight-eight, its cylinder block decoratively engine-turned like a pre-war cigarette case, sprang to life at the push of the key. (Yes, a push. You turn it to switch on the ignition, push it to start. I wonder why that sensible idea never caught on.)

The glistening brown bonnet stretched away into the midlle distance. A gentle tremor ran like a heartbeat through the whole car, because Bugatti didn't hold with flexible engine mountings as late as the 1930s. He bolted the crankcase solidly to the chassis.

Without as much as a grunt the long gear lever dropped into first and even by 1979 standards, the clutch was smooth. With a whine from the camshaft drive as well as the gearbox, the Bugatti slid gracefully away. Skills gone soft on synchromesh and automatic transmissions were dormant, not dead. If all of my changes were not totally silent, none was painfully crunchy.

As Bugattis go, the 57 saloon was a fairly stately one and the lanes of Hertfordshire are no place in which to put tens of thousands of pounds worth of irreplaceable motor car at risk. So I kept my speed down to 35-40 mph, at which the steering felt pleasantly direct though not too heavy and the long semi-elliptic springs gave a firm but level ride.

The brakes were heavy and rather soggy. I recalled the story of the owner who was supposed to have complained to M. Bugatti that his new car had poor brakes only to be told crushingly: "I make my cars to go, not to stop . . ."

Next, I tried another Type 57, a perhaps even more splendid looking open tourer of 1936, bodied by James Young of Bromley and owned by Mrs. J. Marks, of Essex. It was bought some years ago in a near derelict state and has been lovingly returned to perfection. With hood down, the soft moaning and whirring of the engine and gears were wafted away on the breeze. One looked over hedgerows from the high seats as one might from a Range Rover or a horse. This was motoring in the grand manner; a throwback to the days when the pleasure of motoring came from driving a superatively good machine, not just from going somewhere by car.

Finally, I shoehorned myself into the driving seat of a 1935 Type 35 Grand Prix Bugatti, with an unsupercharged two-litre, eight-cylinder engine which in its youth would have developed 100 horsepower, giving a maximum speed of about 105 mph.

Today, we expect family saloons to exceed the ton and racing cars to do twice that. So that is progress. But for sheer delight that comes from intimacy with fine machinery, with what feels like considerable speed and acceleration and with nervously accurate handling, the Type 35 is a different entity. Wedged in the cockpit, with a tiny aero screen deflecting the wind blast over my face and with the engine sounding like a sail splitting, I appreciated why vintage Bugattis are not just collected, but enthusiastically driven.

Jammed between juggernauts on overcrowded roads, anyone can become disenchanted with motoring. It turns into a chore. But picture yourself in a car with a slender, a multi-louvred bonnet, a pair of wheels spinning nakedly on the ends of a burnished axle. Gears have to be snatched with an outside lever and all the time you are aware of the sheer animal energy of the machine. That was what it was like in my all-too-brief excursion into Bugatti Type 35 driving.

I was privileged to drive these Bugattis through the kindness of members of the Bugatti Owners Club. They are co-operating with the Observer and Moët and Chandon, who are sponsoring an exhibition which opens in London at the Royal College of Art next Tuesday.

The Amazing Bugattis Exhibition. Open each day from October 9 until November 18 at Royal College of Art, next to the Albert Hall. Admission £1.50, children, students and old age pensioners 75p.

TRAVEL

The Italian Alps

The call of the hills

BY ARTHUR SANDLES

TOO MANY winter sports articles kick off with all that nonesense about the joy of the mountains, the smell of the mulled wine, the soft swish of deep snow beneath your skis and tales of nudge-nudge, wink-wink nights of exhausting *apres-ski*. A ski resort in some books is a sort of fantasy land where boys can be boys and girls can let their hair down.

Well, it is not quite like that.

My own first day on skis is usually in early December. After an early rise I squeeze into a ski suit that fitted last year but is strangely snug this time. My boots feel heavy and the morning air feels cold rather than crisp. It is the last few hundred feet of the ski lift's climb that are the worst. The skier peers down onto what appears to be sheer mountain faces, with intimidating drops to the valley a long way below. It is at this stage that I tend to say: "What on earth am I doing here?"

After a while, given the right conditions and the right company, the answer comes pretty quickly. There is indeed a joy in the mountains which others may feel at sea or even on the golf course. A good run in spectacular scenery will have me weeping with pleasure (affects deep voice and mutters manly expressions about the mountain air making his eyes run) but it is a height which is only briefly snatched—a climactic delight to savour and recall, rather than the perpetual excitement the brochure myth and legend.

Skiing's attractions are numerous, but the motivations of those who ski are complex. Although most will shout its praises as an exercise—and indeed you use more calories in a day's skiing than in almost any other activity—in fact it takes a determined enthusiast to ski for much more than four hours out of every 24. Food, drink, companionship, skating, dancing, talking, window shopping and walking are much more a part of a skier's day. A ski holiday is a totality rather than a sporting break.

And once you're hooked, a beach oriented summer holiday somehow never has the same appeal.

Given the right company and the right conditions there is simply no better holiday. You are as cut off from the outside world as on a cruise, but so occupied with the business and pleasure, of skiing, that there is no time to brood. My great affection for skiing is largely provoked by the fact that while coming down the slopes there is no time to worry about anything else. The sheer need to execute the next turn washes away office problems. There are no 'phones on a ski run.

Finding the ideal ski resort, however, is something of an obstacle race. Asking the question, "which is the best resort," is rather like seeking the perfect meal—it assumes that there is a menu which would be ideal for every occasion for the rest of of your life. It is thanks to such misunderstandings that beginners find themselves floundering in Val d'Isere, that racers manque despair in Seefeld, and that families seeking a Christmas card village recoil in horror from Flaine.

Choosing a resort is a question of careful mixing and matching. The pleasure of finding the right one—for you—is such that most skiers tend to be resort-loyal, or what the trade calls "conservative."

In choosing a tour operator be careful to look not only at the basic price, but also at what is included in the way of insurance, meals and lift passes. Most national tourist offices will supply maps of the ski resorts so that you can track down hotel locations before you book—a long trek from hotel to ski lift can be miserable. Treat all that talk about "regular shuttle buses" with the utmost scepticism, it usually means packed buses at peak times and no buses if you feel like stopping early or starting late.

Check too the timings of flights. Remember that a late flight from a nearby airport can give you an extra day's skiing.

As for the resorts themselves, here is a (highly subjective) list:

For beginners: Austria: Niederau, Zell-am-Zee, Soll (its a long way from lift to hotels) and Brand. Italy: Madesimo. France: Isola. Switzerland: Adelboden. The U.S.: Steamboat Springs (Col.), Park City (Utah).

For intermediates (which means the bulk of British skiers after a couple of ski holidays): Austria: Obergurgl, Lech/Zurs, Saalbach. Italy: Sauze d'Oulx (if you can stand the frenetic atmosphere); Bormio. France: Courcheval (one of the best for any skiers), Flaine, Les Arcs. Switzerland: Grindelwald, Murren, Verbier. North America: Snowmass (Col.), Snowbird (Utah), Lake Louise (Canada).

...**For good enthusiasts:** Austria: St. Anton, Kitzbuhel. Italy: Cortina, Gervinia. France: Val d'Isere, Les Trois Vallees. Switzerland: St. Moritz, Zermatt. North America: Aspen (Col.), Taos (New Mexico), Garibaldi (British Col.).

For fun lovers: Austria: Kitzbuhel, Mayrhofen, Seefeld (for mature fun lovers). Italy: Sauze d'Oulx. France: Megeve, Chamonix. Switzerland: Zermatt. North America: Aspen (Col.), Sun Valley (Idaho).

For those who like pretty villages: Alpbach in Austria.

For those who like it inexpensive: Anywhere in the Pyrenees.

For those who like cross country: Norway and Sweden.

For those who have a group of mixed tastes and ability: A large bottle of asprin, a map of the Alps and a sharp pin.

Another way

BY PAUL MARTIN

I AM aware that my fairly fanatical downhill-only colleague is a zealously non-dedicated follower of the cross-country fashion which has spread from Scandinavia to many European resorts. So, after spending a week last February in the delightful Italian resort of S. Martino di Castrozza, I would like to defend the cross-country cause with some personal observations.

Firstly, it is an activity anyone can take up at any age and it can be just as taxing or relaxing as you choose to make it. You need a minimum of lessons and can then progress at your own pace, casting an envious eye at the experts who politely pass you with their long, graceful, sliding strides rather like the master athlete who laps the field. Do not despair if you puff and pant a bit after too much pasta and a night in the local discotheque.

It is an old Topsy-like village which has grown naturally over the years, spreading out from the church and sprawling attractively over the surrouding hills. Above all, here as everywhere in Italy, your après-ski, whether it be the local disco, a cup of chocolate or a drop of the local very hard stuff, will not break the holiday bank.

My CIT package—the Italian specialist company offers a wide choice of resorts throughout Italy—costs this year from £141 for a week or £218 for a fortnight, including Gatwick-Venice return flights, coach transfer and full board—packed lunches are available—at the very pleasant Hotel Jolanda.

I also spent an evening at one of the Supertravel chalets. Here the chalet girls provide a substantial breakfast, tea for hungry skiers and wine and coffee with dinner. Packed lunch is an optional extra at £1. Allow upwards of £142 for a week and £199 for a fortnight including flights and transfers.

Addresses: CIT (England), 256 High Street, Croydon CR9 1LL. Italian State Tourist Office (ENIT), 201 Regent Street, London W.1. Supertravel, 22 Hans Place, London SW1X 0EP.

TRAVEL

PUBLIC NOTICES

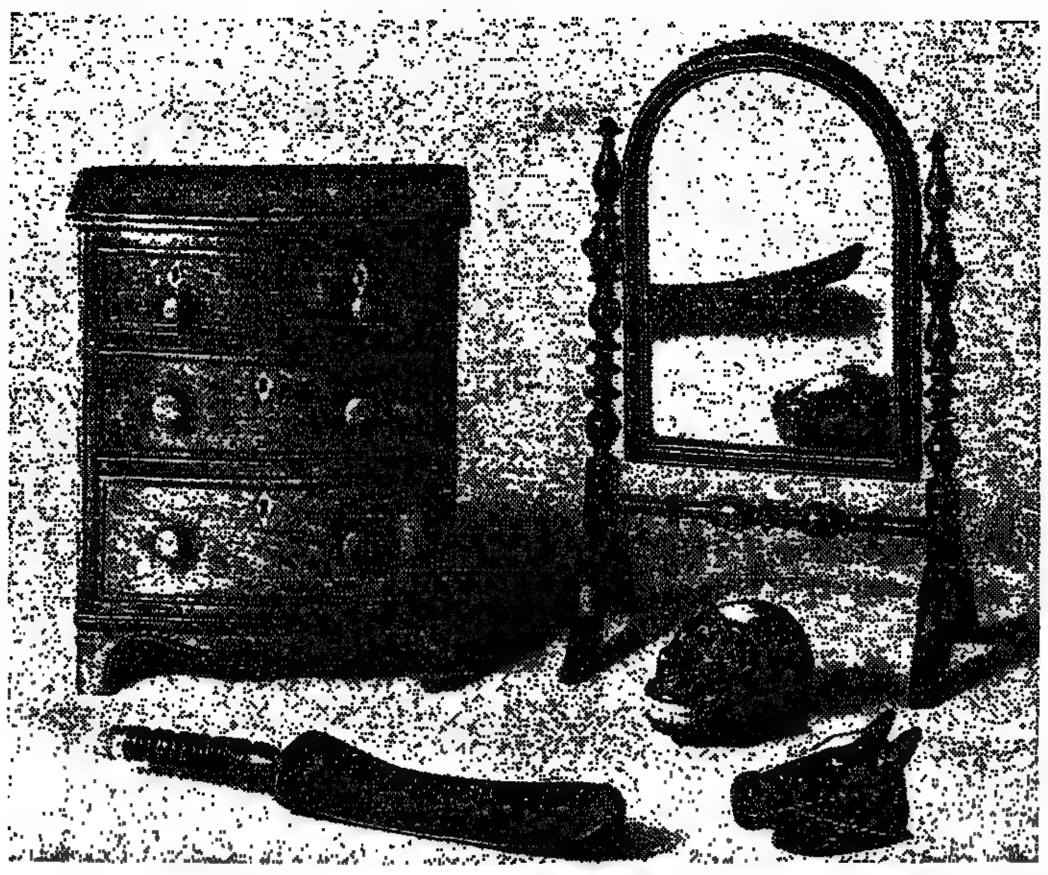
BUCKINGHAMSHIRE COUNTY COUNCIL BILLS

The Buckinghamshire County Council issued on 4th October, 1979 £6m Bills due 3rd January, 1980. Tenders totalled £56½m. The entire issue was made at 13½%. There are no other Bills outstanding.

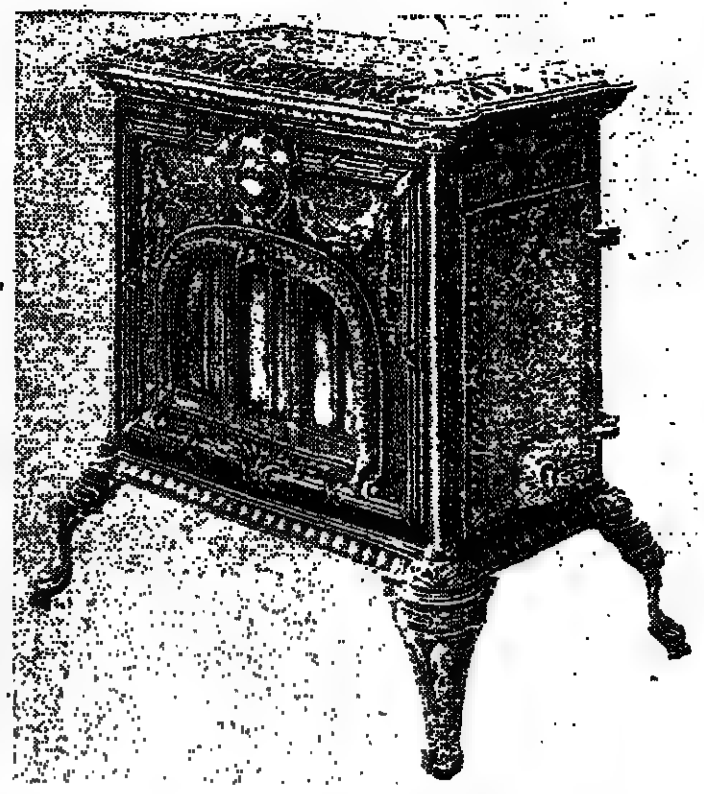
WARWICKSHIE CORPORATION

Placed 3rd October 1979, £3m Bills due 2nd January at 13½%. Total outstanding £7m.

HOW TO SPEND IT by Lucia van der Post



Stoves by mail



READERS may remember the names of David MacIlwaine and Rose Gray—they scoured France for lovely, old cast-iron cookers and stoves and brought them over here and sold them from their own home at 113 Warwick Avenue, Maida Vale, London W9. The French stoves were such a success that they now have a glossy leaflet so that those who live out of London can buy mail order.

The antique stoves are, of course, not standardised and although there are up to 50 different sizes and types at any given time, prices and availability vary enormously. Prices start at £300 and go up to £800, depending upon quality.

However, they also now stock two stoves that are being produced in some numbers. Both are copies of old designs. Le Grand Select is photographed, right and comes in two versions, wood-burning or solid fuel burning and the price starts at £372.60. For further details write to David McIlwaine and Rose Gray at the address above. It is not a shop, so don't turn up without an appointment.

Treen fever

THE DICTIONARY definition of treen, for those who haven't come across the word, is "small domestic wooden objects" and though when using the word people usually are referring to antiques, it can equally be applied to modern wooden domestic objects. The word is thought to come from "trees" or "wooden" and all manner of household objects were made from wood—bowls, goblets, platters, shoe-horns, inkpots, combs. The list is almost endless.

The finest of the wooden objects are beautiful examples of the woodturner's skill and still today are beautiful both to look at and to feel. Collecting treen has become increasingly fashionable. I first came across it when I met an American many years ago who was scouring Europe for treen. Since then the craze has spread across the Atlantic and many British collectors are interested in the subject.

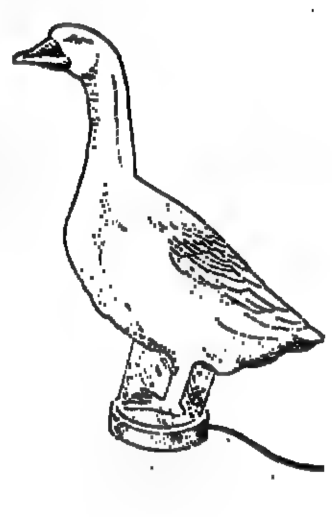
Susan Benjamin who runs Halcyon Days of 14 Brook Street, London W1, has noticed a definite outbreak of treen-fever among her customers and she thinks it may have been partly stimulated by the increasing appearance of modern treen in her shop. Photographed above, is a collection of some of her Georgian treen. The small chest of drawers and the cheval looking-glass are both miniature apprentice's pieces made as practice for the full-scale versions and are £235 and £190 respectively. On the left is a knitting sheath (c1780) for £55, while on the right are two snuff-boxes, the monkey's head is £230, the nag's head, £195.

Gardeners' shoes

NOT BEING an experienced gardener, I discovered the hard way (via a pair of ruined good leather shoes) that you should never garden in anything but Wellington boots (very cold in winter and not very flexible) or gardening shoes. I was never quite sure whether gardening shoes existed, never having seen any, but this week Supa-Klogs come to the rescue of all those who don't like wearing boots but want something suitable for their feet when out digging, pruning, weeding or engaged in other autumnal activities.

The Supa-Klog is not an overshoe, you wear it as a shoe. It is fully lined in jersey nylon and the heavily-ridged soles should make them non-slip and so suitable for lots of other outdoor activities. They are not glamorous but they do seem practical. They're £5.60 a pair and are available at most garden centres or stores like Selfridges as well by mail from The Country Garden Catalogue, PO Box 54, Burton Latimer, Northants.

Glowing goose



THE LIGHTS I showed last week were trim and functional and strictly serious, though that isn't to say that some of them weren't very nice looking, too. Much more fun and very much less serious is this plastic goose light—anybody who has seen The China Syndrome may recognise the light where it stands glowing boldly in Jane Fonda's flat.

Conran of 77, Fulham Road, London SW3 have been selling them in three different sizes (somehow I feel such a light ought to be large) but there is only the 24 in one left. It takes a 25 watt bulb, costs £25 and can be posted for £1.50 extra. It provides good all-round background lighting but I don't think it could be used as a reading light.

Bargain corner

MANY READERS like to know about the sale held each autumn by the Elizabeth David shop at 46, Bourne Street, London, SW1. They find it is a good way of doing some of their Christmas shopping and of stocking up with things they need for their own kitchens.

This year's sale is from October 15 to November 3 (so plan your expedition now) and most things can be posted. Among the bargains I like best the natural wood salt and pepper mill sets reduced from £5.81 to £3.95 (p+p 75p), the steel omelette pans (personal shoppers only, reduced from £7.85 to £5.15), and the large selection of white porcelain ware (coffee bowls reduced from £1.48 to £1.00, p+p £1 for 6).

Capture the holiday flavour BY JULIE HAMILTON

"YOU COME my house for drink tonight." As we arrived at the home of Lebanese Tony, the water-ski instructor at Paphos, Cyprus, he announced: "You eat fish with me tonight."

There on the dusty ground of his tree-shaded garden, was a calor gas ring under a tin plate on which lay an outsize fish wrapped in tinfoil. Thirty minutes earlier, that fish had been swimming in deep Cypriot waters. It came to the table accompanied by a Lebanese salad and chips galore for our four children. The exquisite freshness of that fish (neither my Greek nor my Arabic is good enough to be certain of its name) remains the outstanding culinary memory of our holiday.

It was, of course, a meal impossible to repeat at home. Yet if, like me, you always return from holiday with a wish to cook dishes that remind you of those happy days, it can be done.

The first step is to buy, while on holiday, a local English-language cookery book, possibly put out by the country's tourist organisation and usually unobtainable in Britain. It may well be written in rather quaint English and mention ingredients you have never heard of (do you know a herb called distaff?). But if you study it you will soon learn which herbs or spices dominate the dishes and what method of cooking is most commonly used. For they, more than anything else, give the food of each country its special character.

My advice is to choose modest recipes that are simple to make, such as a particular salad or pasta or starter or dessert, to add to any meal you have planned. They will, of course, be dishes you have eaten on holiday and so you will know how they should taste. I came reluctantly home with a newly-published book, "Cooking from Cyprus." It tells me that coriander is vital to many Cypriot dishes, lemon juice is used in abundance and olives and their oil are dominant. A quite delicious salad that I had not tasted before this holiday is the beetroot salad described below.

Beetroot Salad—serves 4 to 6

1 lb beetroot (raw); 1 lb potatoes; 3 thin stalks fresh celery, finely chopped; 3 large cloves garlic, finely chopped; 10 sprigs finely chopped fresh coriander if you can get it, or ½ teaspoon ground coriander; 3 tablespoons olive oil; 2 tablespoons wine vinegar; salt and pepper.

Wash the beetroot and place whole in a pan of cold salted water. Bring to the boil then simmer until cooked. Do the same with the potatoes in a separate pan. When cool enough to handle, peel the beetroot and potatoes and slice them into bite-size pieces. Place a layer of mixed beetroot and potatoes in a salad dish, sprinkle with chopped celery and coriander, repeat the process, ending with the garlic. Beat the olive oil and vinegar together, with salt and pepper to taste, and pour over. Serve when cold.

Pork Afelia—serves 6 to 8

This is one of my favourite dishes and I have tried to cook it many times without ever having seen a recipe. Now I know how it should be done and, having tasted it this way, can certainly recommend it. The simplicity of it makes it an easy dish to prepare for a dinner, while the taste gives the impression of much skill.

3 lb pork, off the bone; 2 tablespoons crushed coriander (not ground); ½ cup oil (corn or olive); 1 cup dry red wine; salt and pepper to season.

Cut the pork into small cubes and marinate it in the wine and the coriander for five to six hours. Drain well, keeping the marinade for further use. Heat the oil and fry the meat lightly, pour in the marinade and enough water to cover the meat. Generously season with salt and pepper, cover and simmer for about one hour. Serve with rice, over which the Afelia sauce can be poured.

Cyprus Brandy Sour

Anyone who's ever been to Cyprus will have happy memories of the famous Cyprus brandy sour. Even though its at its very best only when drunk in the sunshine, none the less, you can make it at home. Here's how: Half fill a tall tumbler with ice, quarter fill it with brandy (preferably Cypriot but definitely not French): add half as much lemon squash as brandy, sprinkle in a generous amount of angostura bitters, top up with soda, pop in a slice of lemon, stir, drink and remember.

Cyprus Ravioli—serves 6 to 8

If you live near a Greek Cypriot delicatessen you should be able to buy Halloumi cheese which gives this dish its specially delicate flavour. But you can instead use fresh, grated parmesan. Serves six to eight as a starter or four as a main course.

For the pasta: 2 lb plain flour; 1 cup water; 4 eggs; 1 teaspoon salt
For the stuffing: 1½ cups grated Halloumi cheese; 3 small eggs; 1 tablespoon finely chopped mint (this can be dried).
For the garnish: 1 cup grated Halloumi mixed with 1 tablespoon finely chopped mint.
Extras: 2 pints chicken stock; 1 egg beaten

To make the pasta: sift the flour and salt into a bowl, make a hollow in the centre and break the eggs into it. Add the water little by little. Knead until completely smooth. Roll out, not too thinly, and with a pastry cutter or wine glass cut the dough into rounds.

To make the stuffing: mix the three eggs with the Halloumi cheese and mint, place a dollop of this mixture in the centre of each round of dough, brush the edges with the beaten egg and fold over, pressing to seal.

Bring the chicken stock to the boil, put in the raviolis one by one, and cook them for eight to ten minutes, stirring gently from time to time. Drain well when cooked and place in a warm dish in which you have sprinkled a little of the grated Halloumi and mint. Cover with the rest and serve hot.

Ornitha Lemonata—serves 6 to 8

1 boiling fowl (approx. 3 lb); ½ cup lemon juice; 2 cups oil (corn or olive); 2 lb small potatoes, new if possible; salt and pepper.

Ask the butcher to joint the bird into eight pieces. Using half the oil, fry each piece lightly. When they are light brown add the lemon juice, salt and pepper. When it boils, add enough water barely to cover the meat, put on a lid and simmer for approximately 1½ hours.

Peel the potatoes which should be small and round if possible. Fry them in the rest of the oil until they are light brown. Fifteen minutes before the hen is done, add the potatoes to it so that they finish cooking together. Serve hot with fresh green vegetables.

BOOKS

Teddy boys and girls

BY C. P. SNOW

Eminent Edwardians by Piers Brendon. Secker and Warburg. £6.95. 255 pages

Dr. Piers Brendon is a courageous and independent man, and this new book of his is notable not only for its own merits, which are considerable, but as a sign of liberation for future biographical writers. The message is this. Biographies have been getting longer, and can, without loss, with positive gain, become shorter. Not many lives have anything like the substance of events to sustain two or three volume biographies—and even if one tries to spin them out, even with world figures, the impact of the personality fades dimly away.

A work about the size of a shortish novel is enough to deal with the life of almost any intellectual or writer — recent biographies of Forster, Aldous Huxley, Ivy Compton-Burnett, all written with love and talent, were planned on much too large a scale. For many lives of distinction and psychological interest, even a book of shortish novel length is still too long. One can convey more in less words. The determination to use every collectable letter usually submerges the book in a kind of porridge. Ten or 20,000 words (the length of a longish short story) can reach the essence of most personalities.

That is Brendon's case. For some years it has been having an underground circulation in other quarters. Lytton Strachey, in spite of his excesses and bitchiness was, in Brendon's view, fundamentally right. The method and scope of *Eminent Victorians* showed the way for a new kind of effective biography. As a tribute, and as a recognition of the influence, Brendon has deliberately imitated the title. He is more scrupulous about the truth than Strachey, more tolerant and balanced in his judgment, but *Eminent Edwardians* wouldn't have been written as it is without the example of the earlier book.

Brendon's choice in his eminent quartet is somewhat eccentric, as Strachey's was. The eminent Edwardians are represented by Northcliffe, Arthur Balfour, Mrs. Pankhurst, Baden-Powell. All had more than their share of the bizarre, and the only one whom one would have wished to spend an evening with was Balfour. Brendon's piece about him is the best in the book. But apart from the singular eccentricity of the Balfour Declaration, his of the four left the least mark on his age.

Northcliffe was a good deal of a monster. He initiated popular journalism as we now know it. Would that have happened without him? Probably, but not quite in the same style. He had something of Hitler's gift for knowing what a lower-class public wanted to hear. H. G. Wells met him at Henley House School, and brooded irritably about him as Northcliffe started his dazzling climb. He was lumpish, uneducated, an insipient megalomaniac—but he had something of the *daimon* of a great man. The studies of business tycoons in Wells's novel owe a lot to Northcliffe.

Balfour, about whom Wells also wrote (compare Mr. Evesham in *The New Machiavelli*) had no *daimon* at all except for a cat-like insistence on getting his own way. Everyone admired him, including radical intellectuals. Many loved him. Brendon is sure that he was ice-cold. He was clever, witty, agreeable, the ruthless will kept under wraps. Did he believe anything? That puzzled less devious men, Wells and others. How could anyone pretend to be a Christian, when he had written the hardest and bleakest statement of cosmic pessimism in the English language? Had he ever loved anyone? His relation with Mary Elcho was long drawn out, but, like most things about him, ambiguous. (Kenneth Young, in his much praised biography, didn't clear this up).

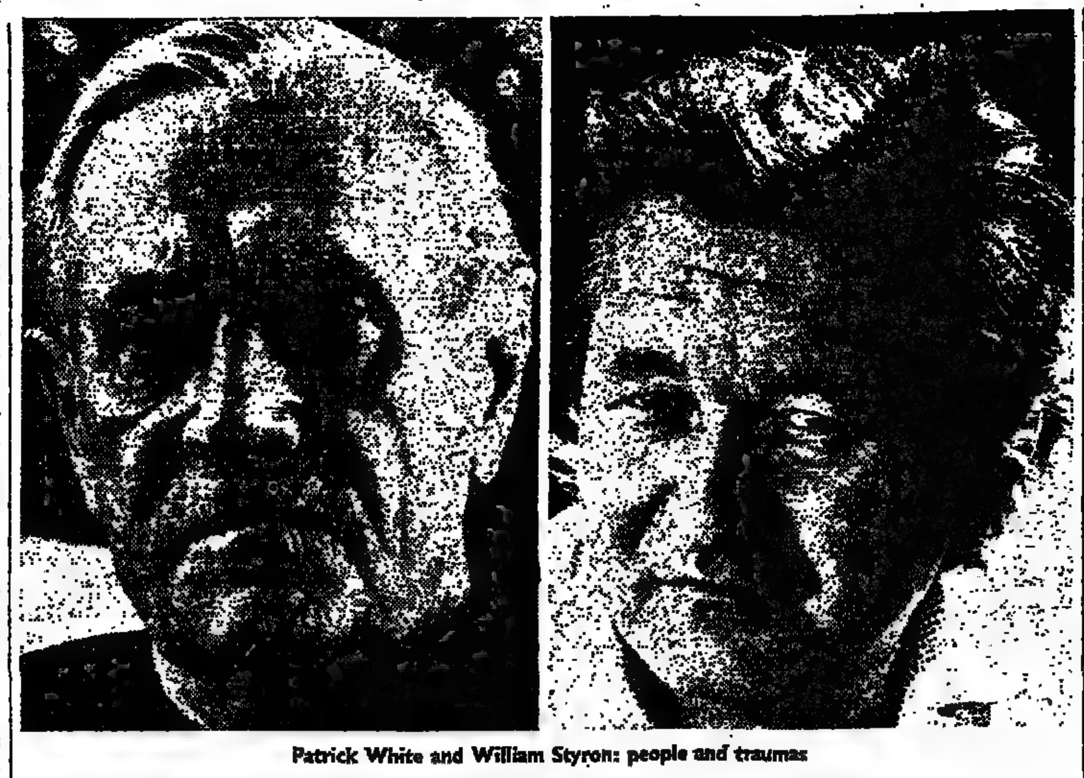
Balfour was the brightest luminary of the Souls, about whom Brendon might think of writing a collective biography. They were something like upper-class predecessors of professional middle-class Bloomsbury. The Souls didn't leave much behind them, any more than Arthur Balfour did. What would his memorial be, someone asked Lloyd George. Oh, just like the scent on a pocket handkerchief, said Lloyd George, not the first man to be captivated by mysterious charm.

About all four Brendon writes with brilliant spirits, nearly always brightly, sometimes a shade too brightly. This is an ambitious pioneer work, and occasionally he strains for effect more than he did in his study of a Cornish clergyman in *Hawker of Morwenstow*. That straining for effect is a trivial fault, but may need watching. Brendon enjoys himself on Mrs. Pankhurst and Baden-Powell, who like Northcliffe attained various degrees of monstrosity. Mrs. Pankhurst was an actress *manqué*. It is interesting that her most prominent successors as public protestors have actually been actresses. Mrs. Pankhurst knew a cause with histrionic possibilities when she saw one. Oh yes, she believed in votes for women. But she also, and with equal fervour, later believed in the evils of German penetration into the Government, and, approximately equivalent in her mind, the even greater evils of venereal disease and Jewish bolshevism.

Until her last years she made a good living by orating on these subjects. She clearly was a very fine speaker (rather surprisingly, for she was of genteel origins, in a Manchester accent). She was an almost beautiful woman. She would have been impressive on the stage.

With Baden-Powell, it is hard not to be put off by his brand of monstrosity. At Mafeking, as Thomas Pakenham has just convincingly demonstrated, he was a resourceful and brave commanding officer. He also sent hundreds of blacks out of the towns to die. He was callous as children are callous. In fact, he remained very much of a child—raised to the nth power in energy and invention—most of his life. People unwordly enough to believe they know all about human behaviour, would have pigeon-holed him as a homosexual. He was devoted to a young officer, nicknamed Boy. But pigeon-holes are among the fatuities of our age. Baden-Powell married very happily at the age of fifty-five, and raised a family of three with domestic love.

The book leaves one with two hopes. One, that Brendon will write more like it, two, that other biographers will start examining his model.



Patrick White and William Styron: people and traumas

Fiction

Between the acts

BY ISOBEL MURRAY

The Twyborn Affair by Patrick White. Jonathan Cape, £5.95. 432 pages

Sophie's Choice by William Styron. Jonathan Cape, £5.95. 515 pages

Winter Doves by David Cook. Secker and Warburg, £4.95. 213 pages

A Revenger's Comedy by Derwent May. Chatto and Windus, £5.95. 191 pages

The most astonishing characteristic of Patrick White is that his newest novel is always entirely unexpected, a wholly different achievement from his last. *The Twyborn Affair* is in some ways his most reckless novel yet, for it challenges comparison with some of the world's most bizarre masterpieces.

There are generally obvious comparisons like Eliot's *Waste Land* or Hemingway's *Fiesta*, where the hopelessness, the failure of confidence in self, in identity, the sterility of modern life is conveyed in sustained sexual metaphors, with particular reference to "unnatural" manifestations of sexuality as pointers to a diagnosis. But there are two much more exact and important parallels, to which I shall return.

The Twyborn Affair centres on a character who is deeply, pervasively sexually confused. We first meet Eudoxia Vatatzes, supposed wife of an elderly Greek in the South of France, just before the outbreak of the First World War. Eudoxia excites the passions of a Lesbian Australian lady, Joanie Golson, and of her very male husband Curly, but as we eventually learn—and they do not—Eudoxia is physically male.

Eudoxia/Eddie Twyborn is lost to our view; fights on the Western Front, returns to her/his native Australia bemedalled and adrift. In the second part of the novel bisexual or homosexual inclination is significantly widespread. Joanie Golson has had a long Lesbian fling with the hero/ine's mother Eadie: the hero/ine loves his/her father the Judge with sublime incestuous passion. When Eddie goes to work as a jackaroo on a sheep station, he finds himself attracted to Greg, his employer (who implies that he was once equally attracted to Eddie's father the Judge).

What is more, Eddie makes love to Greg's wife Marcia, who used to have sex with manager Don, who one night virtually rapes a fairly willing Eddie. Later, the central character truly claims: "the most touching marriage I've known was that between an imbecile and an incestuous strumpet." Now all this sounds like the scenario of a successful double X movie, but that is not what the novel is about: in fact, it eschews eroticism almost completely.

So even by the end of the second part, set in Australia, we suspect that we are dealing neither with a freak case history nor a simple indictment of the world, but with sexuality, primarily in the central character, as a desperate search for identity and love, a metaphor for an even more basic need.

Eddie/Eadith Trist is finally and compellingly presented in the 1930s as a bawd, and a madam, running a highly privileged and protected brothel catering for the high and the mighty and the trendy. And Eadith, now unhesitatingly accepted as female, loves and is uncomprehendingly loved by her protector, Lord Gravenor, who fully believes in her eccentric femininity. This wholly impracticable relationship is repeatedly presented as the nearest possible approach to real love Eadith/Eddie will ever achieve. S/he has loved the elderly Greek, father, a motherly old woman, an aggressive male—and Gravenor, but him most—and most absurdly, of all.

It is a mark of the respect with which I regard this novel that I do not hesitate to stress its two most obvious predecessors. Most recently, there is Virginia Woolf's *Orlando*, that strange, undervalued novel of sexual ambivalence and bravado, inspired, as we know, by Woolf's infatuation with Vita Sackville West, but celebrating discoveries about sexuality and the human psyche which were in her time particularly revolutionary.

The other, prior, source is that great quasi-Bible of the Romantic and Decadent movements, Gautier's *Mademoiselle de Maupin*, in which the ambivalence or ambiguity of the sexes opens gates into realms previously undreamt of. Premature to discuss White's contribution to this kind of tradition, but a tribute to one of the great novelists of our day that he clearly belongs there.

Down to earth with a thump with William Styron's *Sophie's Choice*. Never have I felt more willing to acquiesce in an author's intention, encourage his achievement. On a truly monumental and nowadays exclusively American scale Styron treats—Auschwitz. Not directly or all the time, but more than directly enough. The nature of evil is hideously difficult to write about at all, and ridiculously difficult in a fiction concerned with fact.

There are vast tracts of this vast novel with which I cannot help sympathising wholeheartedly. The scheme, to evoke Auschwitz through the experience of a Polish lady, Sophie, get it in America, is laudable. Her collision with and love for an American Jew in a fury nearing madness over it all is believable.

But the narrator, the youthful American in love with Sophie and her American Jew, introduces a softness, and the presence of young "Stingo" as a receptacle for Sophie's horrendous confidences weakens, softens, slurs the whole. No one can judge Sophie or the terrible choice she was given: long philosophical meditations on the nature of evil do not help.

The novel is finely intentioned, dramatic, pathetic, but too long and too discursive. It encourages wallowing in vicarious guilt rather than positive reading: it means excellently, but succeeds only up to a point.

David Cook's *Winter Doves* is a fine, indeed a superior, successor to his *Walter*. After 19 years in hospital, the retarded hero of that novel now meets and falls in love with June, a trenchant intellectual suffering from severe post-natal—and other—depression in the same institution. The unlikely conjunction of Walter and June is described very gently. At June's instigation the two leave the hospital together, but inevitably June later leaves Walter.

The novel is tender, painful and realistic, and very deliberately set in Jubilee year. After 19 unnecessary years in a mental hospital, only June can inspire Walter to a fuller life, and only hospital can receive him back, wounded but experienced. A moving and convincing novel.

Derwent May's *A Revenger's Comedy* is a most skilful piece of work which I found distasteful. A set of mainly media trendies is invited to the house of an eccentric wealthy man, Pirates. Are they to make a scintillating, spontaneous TV programme, or, as Pirates intends, burn to death? I find it hard to care. They are so credible and so tiresome that unless they actually reflected known individuals I find it hard to imagine that any one could care.

Golding's fire eaters

BY ANTHONY CURTIS

Darkness Visible by William Golding. Faber and Faber, £4.95. 265 pages

"If you were foolish enough to tamper with the unseen for paltry motives and in a spirit of ribaldry, whatever has happened to you is your own fault!"—Madame Arcati in *Blithe Spirit*. Remember the venom Margaret Rutherford put into the lines? Well, William Golding has been tampering with the unseen in his novel *Darkness Visible* but no one could accuse him of paltry motives. His are of high artistic courage in an enterprise fraught with disaster.

Here is a novel about absolutes, good and evil operating protectively and destructively in our contemporary world of terrorism, transistors and chess computers where social tensions beneath a veneer of affluence have never been so acute. The setting is what used to be called the provinces and is now the booming, overcrowded regions; a town named, with deadly irony, Greenfield, and depicted by Mr. Golding with the accuracy of a county historian. It lies somewhere between Basingstoke and Salisbury; it boasts a venerable ironmongers, an antiquarian bookshop, a Philosophical Society where local worthies ponder the insoluble problems of metaphysics.

So far all is normal, rural and English, blatantly so; we admire the easy-seeming skill with which Mr. Golding suggests vast transitions in our society by humble detail, the goods in the ironmongers, a nameless colourful sikh in the streets. In this observant way we live painlessly through much that has happened to Britain at the grass-roots level during the past 40 years, and we take sidelong glances at Australia where the hero is temporarily transported. Growing up throughout this period, in this most average of locations, are two young people of far from average consciousness. One is Sophy, an exceptionally attractive steely-willed girl, one of twin-sisters; the other is Matty whose miraculous escape from being burnt alive in the London Blitz has left him grotesquely disfigured and disabled. Both Matty and Sophy are finely attuned to the unseen; both know what is going to happen before it happens, and both have the power to determine what will happen. Beside them the members of the Philosophical Society who dabble in ESP seem bungling amateurs and even the mental skills of Sophy's father, a well-known chess-master and journalist, seem despicably mechanical. With great compassion Mr. Golding shows how Sophy's spiritual powers are deflected by life into horrible, sadistic destructiveness; she is probably the most evil character in the whole of contemporary fiction. By contrast in a novel constructed upon a symmetrical pattern, he describes how Matty, the hideous freak, is refined by his suffering, both physical and psychological into becoming an instrument of selfless love. "We only live, only suspire Consumed by either fire or fire," as the *Quartets* poet said. The final fiery confrontation in this book between what has been unrefined by Sophy and by Matty is something many readers will find hard to take.

On one level the clash when it comes is no more than another unsuccessful terrorist kidnap attempt at a school for the sons of the rich; at another it is a conflict between good and evil of Miltonic proportions. It is courageous of Mr. Golding to venture into the territory of the mystical thriller which we associate with an older Faber novelist, Charles Williams. Mr. Golding is a much finer prose artist in fiction than Williams and is mercifully uninterested in dogmatic or heretical explanations for the catastrophic events he is describing. He appears to be utterly detached from them and it is that artistic detachment that makes this novel such a terrifying work.

Dearest Sibbie

BY RACHEL BILLINGTON

The Arms of Time. A Memoir, by Rupert Hart-Davis. Hamish Hamilton, £6.95. 157 pages

Sybil Hart-Davis may have been more beautiful, more gifted, more lovable than most, but her story tolls the bell of many sad women. "She was an artist," says Nancy Cunard in a touching chapter of recollection,

"I say this because time and time again she would. voice ideas, imagining situations and circumstances that belonged to a creative writer. Her interest in people was very quick and sometimes peculiar, and this she expressed very well indeed in talk. Her letters were enchanting to read."

Those enchanted letters. How many clever frustrated women have poured their talents into private communications without finding the support or satisfaction of more solid achievement. Letters, love-affairs and conversation. All unequal to dulling the pain of a failed marriage and no job.

There is, however, one more solace: children. And here, at least, Sybil Hart-Davis found happiness. She had two children. Rupert who writes this memoir and the younger Deirdre. Rupert and his mother were so close that when he was a teenager at Eton they exchanged a letter every day. By this time she had given up love affairs and all her passions were reserved for her clever sickly son:

"My most loved and precious boy, I do love your letters so; they are my one joy these days . . ."

The book's blurb likens her situation to Anna Karenina's. She too faced a choice between the suffocation of a loveless marriage and finding freedom but losing her beloved son. Unlike Anna she chose the son. It is not quite clear why the choice was so uncompromising, why in the twentieth century, she could not be divorced and have custody. Perhaps like many unhappy women, she had built her own trap and blamed herself too much to get out of it.

Rupert Hart-Davis is not the man to give an objective view. This is a beautifully written elegy, a love poem to his mother. And as much as he celebrates her qualities, he blames his father for despoiling them.

Richard Hart-Davis started badly by seducing Sibbie Cooper as an innocent seventeen-year-old. After that, his worst sins seem to be a hatred of intellectuals and a desire to play the piano (well, rather than badly) for long periods. This worked on Sibbie's nerves in much the same way as Karenin's knuckle-cracking worked on Anna's. Early in life Rupert established to his own satisfaction that this hated figure was not his blood-father. After dismissing various candidates (including one eminently likely contender who put him down at birth for life membership of the MCC), at the age of sixty-two he happily fixed on Sir Gervase Beckett. The story of how he made certain of this is wonderfully well told as, unsurprisingly, are all the other vignettes and anecdotes that fill the book.

Apart from the mother/son letters, Sir Rupert also has the diaries of Duff Cooper, Sibbie's much-loved brother, to draw on. They strike a sharper, more worldly note. Not that the book is always sad. On the contrary. It opens with an energetic account of the life of the eighteenth-century actress Mrs. Jordan—"The Female Line," as the chapter is headed, Sibbie's great-great grandmother. Yet her story too ended sadly, with Mrs. Jordan dying in France aged fifty-five, "in solitude and penury."

Sibbie did not die alone. Both her children were with her. However in the last years of her life she had found consolation in the Catholic Church. She was buried in the white Dominican habit of the lay order she had joined.

Rupert Hart-Davis has told his mother's story with single-minded intensity. He has not tried to dilute it with the biographer's cliché, "a picture of an age." The result has the power of fiction.

In short—Da again

Waterloo edited by Lord Chalfont. Sidgwick and Jackson, £8.95. 240 pages

One thing on which the authors of this book are in agreement with one another and the Duke of Wellington is, that the Battle of Waterloo was "the nearest run thing you ever saw in your life." William Seymour presents the story from the English (plus Dutch, plus some German), Eberhard Kaulbach from the Prussian, and Jacques Champagne from the French, standpoints. There are differences of opinion as to the number of horses Ney had killed under him during the battle and a few others of rather more consequence, but the most serious difference is about Napoleon's generalship.

"Napoleon himself can hardly be found at fault during the whole campaign, during the battle, or even during the retreat" (M. Champagne). "The genius that had raised Napoleon to the military pinnacle of Europe seemed suddenly to desert him. He made many mistakes" (Mr. Seymour). Wellington differed with himself in his views. He spoke of his troops as scum, more frightening to him than to the enemy, but also said that no troops but the British could have held the Château at Hougoumont.

On the importance of the weather, however, all are agreed. If the rain had not made the ground nearly impassable to vehicles, the result of the battle might have been different, but whether this would have meant the result of the war would have been different is another thing. While at this stage it is hardly possible to throw much new light on Waterloo this book is worth buying for the excellence of the illustrations alone.

ALLAN TODD

Home Before Night by Hugh Leonard. André Deutsch, £5.25, 202 pages

Hugh Leonard's lightly-fictionalised account of his youth gives a closer look at his foster-father, whom we saw before in the play *Da*. Mr. Leonard is an absurdly underrated writer. *Da* never emerged from the fringe in London (though it became a hit in New York), and two previous comedies of outstanding merit, *The Au Pair Man* and *The Patrick Pearse Motel*, hardly lasted a minute.

Home Before Night is written in the demotic Irish of Dalkey, where he lived as a boy, the adopted son of his "Da" and Da's wife Margaret. They were poor, and there was no question of Jack (as Hugh Leonard is called in the book, and by his friends in life) going to Oxford like Emlyn Williams or Richard Burton and turning out a genius. He became a clerk in the Land Commission, and stayed there for 14 years.

He tells his tale in a series of short pieces written alternatively in the first and the third person, and he is only in his early twenties at the end of the book. It is immensely good reading, sentimental but objective. How lucky, one feels, to have grown up among such amusing people; but of course it is Hugh Leonard who has ensured that we find them amusing.

B. A. YOUNG

Crash course

BY RICHARD LAMBERT

The Day the Bubble Burst: A Social History of the Wall Street Crash by Gordon Thomas and Max Morgan-Witts. Hamish Hamilton, £8.95. 469 pages

The good things first. *The Day the Bubble Burst* gives remarkable eye witness accounts of what it was like to stand in a bucket shop off Wall Street in the late summer and autumn of 1929, when stocks were going through the roof—and then the floor.

Thousands of people from all over the U.S. thronged the area daily because, as one explained: "Wall Street is the only place to be." When a man pitched to the floor of the Exchange babbling incoherently, there was no question about what to do: first stop Bellvue, the handy mental hospital, where it turned out that he had been searching for his false teeth.

It was a time when men of power and authority saw fit to outbid each other in platitudes, and when the man in the street began to see that the Saturday Evening Post had not told the full story about laisser faire capitalism.

"Believing that fundamental conditions of the country are sound," said John D. Rockefeller, "my son and I have for some days been purchasing sound common stocks."

At which comedian Eddie Cantor quipped: "Sure, who else had any money left?"

As well as providing local colour, the book also fills in the personalities of some well known but hitherto decidedly shadowy characters in the story of the crash. There is a great deal of interesting detail about such as our very own Clarence Hatry, found guilty of "irregularities" on a startling scale; or about the embezzlers of the Union Industrial Bank of Flint, who started off working on a free-lance basis and who—gradually becoming aware of each other's activities—pooled their efforts and compounded their bungling.

But this kind of detail is taken too far. The book is subtitled "a social history of the Wall Street crash" which is presumably why we have to read so much about the daily life of Homer Dowdy, the worthy but unmemorable postman, or Jolan Vargo, the poor but proud bootlegger. Fine, in their place, but hopelessly distracting in a narrative like this.

As a result, lost in a sea of anecdotes, the reader gets no clear impression of what lay behind the boom and the crash, or the depression that followed. The index contains 14 references to Pat Bologna, shoe-shine boy, and none to Benjamin Strong, Governor of the New York Federal Reserve Bank, the man who took the lead in easing money rates in 1927 and who was later to be accused by Hoover of "crimes far worse than murder."

"Indirectly" the authors observe sweepingly, "the Crash paved the way for the Second World War." Well, yes.

There is something jarringly provincial about prose of this kind. "After his visitors had left, Ford prowled listlessly through his vast mansion." And so it comes almost as a relief to read, at the very end, of the authors' "considerable debt" to the worldwide research facilities of the Reader's Digest, and of the way that their previous award winning international best sellers have been turned into major feature films. This is the book of the film of the book, and first-rate viewing it sho[uld m]ake, too.

GOLF/GARDENING

Tony Jacklin

Woburn provided an ideal setting for some exciting golf yesterday, as Graham Marsh moved into the lead, leaving the prospect of a good finish.

Neil Coles

Dunlop masters absorbing

BY BEN WRIGHT

IN THE perfect warmth of a lovely autumn day Graham Marsh of Australia took a tentative command in an absorbing Dunlop Masters Tournament at Woburn Golf and Country Club with a third round of level par 72 today for a six under par total of 210. His playing partner, veteran Neil Coles played slightly better for a 71, but in a sense this was disappointing, since he had gone out in 33 shots against the 36 of the equally professional Australian.

So Coles trails his rival by one shot, with the 1967 Master golfer Tony Jacklin in third place at four under par after a disappointing 74, including an inward half of 39. The overnight leader, South Africa's Tienie Britz, the Johannesburg farmer, crashed with an inward half of 41 for a three under par total of 77 to be only a stroke in front of the Japanese Isao Aoki, who stormed home in 33 shots for a quite outstanding round of 68, for a two under par total of 214.

The only other players under par this evening are Scotsman Sam Torrance and another South African Nicky Price, each at one under. There are three men at level par, U.S. Masters champion Fuzzy Zoeller, Malcolm Gregson and Brian Waites, who climbed through the field with a glorious effort—a 66.

At the other end of the field Sandy Lyle made virtually certain of topping the Order of Merit, despite his worst round of the season, an 80, thus ending the three year reign of Spain's Seve Ballesteros. Third placed Mark James destroyed himself with an inward of 44 shots for a 77, due in no small part to two out of bounds drives at the final hole for a numbing nine.

The Marsh-Coles duel in the sun was an absorbing one with the Englishman far superior in the early stages, but faltering as the grim-faced Marsh turned *on the heat over the inward half.*

Coles was extremely unfortunate at the 502 yards 10th hole to be disturbed by the shout of a spectator when he was at the top of his swing on his second shot, which he reckoned would have made the green. It squirted violently to the right, and Coles took five to the birdie four of his partner that was made possible by an 18 foot putt.

There was a two-stroke swing in the Englishman's favour at the 419 yards 12th hole where Coles holed out from eight feet. Marsh had missed the fairway to the right, and bunkered his second shot with the three wood that has betrayed him throughout. This caused him to reach bravely for the driver in the claustrophobic avenues meandering between the tall pines.

The next three holes were crucial in that Marsh outscored his partner by a stroke at all three. At the immensely long 13th, Coles hit a bad drive into the trees to drop a stroke to par, and he had to scramble desperately for one-putt pars at the next two holes as Marsh made birdies with putts of 15 and 20 respectively.

Coles also got down in a single putt to save his par at the 16th, and then was desperately unlucky to drive into *a miserable hole in the middle* of the last fairway. From this he topped his four wood second shot, well short of the green.

Both Jacklin and Britz matched mistakes on the inward half when they rather ran out of inspiration, largely into a cool breeze as the sun sunk ever lower, the shadows lengthened, the fairways narrowed, and distance judgment became ever more disconcerting.

So everything is set up for a marvellous battle to the finish tomorrow evening, with at least ten men in with a chance. I say ten because Zoeller, the chirpy American is capable of bringing even such a fine course as this to its knees by his sheer, overpowering length.

Work and play

BY ARTHUR HELLYER

NO DOUBT the first instinct of anyone faced with the problem of planting around industrial buildings is to conceal them as much as possible, with maybe a secondary aim to create, within the complex, some pleasant areas for relaxation. The attitude is protective and inward looking and it requires a greater effort of imagination to visualise the structures as an integral part of the landscape to be incorporated with it as effectively as possible. Yet such things are possible even with the most conspicuous buildings, a particularly remarkable example being the very large electrical power station at Didcot.

Here a highly-successful attempt has been made, not only to unite buildings and landscape, but also to use the peculiarities of such a strategically important site to preserve and enrich the native flora and fauna. The tight security essential in such places means that there is little human traffic over much of the land and this, provided it is combined with reasonable freedom from chemical pollution of soil, water or air and a sympathetic understanding of the requirements of plants and animals, makes them ideal ecological units in which flora and fauna work out their own balance.

So successful has this proved at Didcot that it has been possible to create nature trails open to schoolchildren and students under suitable supervision and a disused building has been converted to serve as a hostel for those who wish to stay for a few days.

It is quite impossible to camouflage, let alone conceal, the huge white cooling towers which are such conspicuous features of generating stations, but those waisted towers have a *beauty* of their own.

At Didcot the tree planting which surrounds them is on a scale commensurate with their bulk. This may not be immediately apparent at this comparatively early stages for it needs a little of the vision of 18th-century landscape designers to see the trees as they will be at maturity—and then, of course, it will be necessary for a future generation to make certain that selective replanting commences so that the balance of trees and buildings is maintained permanently.

I came across an example of ingenious factory integration on a more modest scale a couple of years ago when judging a competition organised by the *Morgan Crucible* group of companies. The object was to encourage factory managers to plant more trees and shrubs and prizes were offered for those affecting the greatest improvement in landscaping in a single year. The amount of money that could be expended in that one year was also limited to prevent the more financially successful companies having an unfair advantage.

Not unnaturally most managers opted for schemes that would produce the maximum visual impact in the shortest time and this did prove to be the best way to win high marks within the terms of this particular competition. However, some managers took a longer view, one of the most interesting being at Steatite and Porcelain Products, Stourport. Here there is a lot of ground between factory and road, much *of it grass-covered, but with* quite a number of semi-mature trees, including Lombardy poplars and horse chestnuts, the latter mainly lining the curving drive from road to factory.

The manager, a keen amateur gardener without, so far as I know, any previous experience of this kind of landscaping, observed that on the far side of the road, breaking up a row of small dwelling homes, was another, more mature, group of trees which included evergreen conifers as well as hardwoods.

He realised that by continuing the sweep of his own trees he could create the illusion of linking up with those across the road. The method of grouping was also well thought out the overall idea being to have a dark evergreen background to light coloured leaves that would fall in the autumn, some of them colouring brilliantly before they did so. For this purpose Corsican pine was chosen with *Robina pseudoacacia Frisia* and *Sorbus sargentiana* on one side and a balancing group on the far side of the field in which a cream and green leaved maple, *Acer negundo variegatum*, was planted in front of Corsican pine.

At the end of a single year, when all these trees were still only small saplings, much imagination was required to see just how practical this scheme was, but I am certain that in 20 years the citizens of Stourport as well as the workers in the Steatite and Porcelain Products factory will be very grateful for the results of this clever piece of foresight.

I hear that quite a lot of wild plants and small creatures are finding ideal conditions in the wide verges beside the new motorways. Here again there is little human interference and the animals soon seem to get accustomed to the noise of traffic which does them no harm. Clearly the character of the population will change according to the methods of maintenance practised, and I hope that there will not be too much control over this from the centre. No doubt local officers will have their own ideas what should be done—occasional mowing, thinning of scrub, complete elimination of all woody plants except those deliberately planted as part of the landscaping, and so on.

Such differences will affect both the undergrowth and the small creatures, including butterflies and moths, and could add quite a lot to the interest of driving on motorways.

Didcot power station

Literary copper's crimes

PAPERBACKS

ANTHONY CURTIS

RUTH RENDEL'S first crime novel *From Doon With Death* was published in 1964. It has just appeared in paperback from Arrow Books along with two later ones, *A Sleeping Life* and *To Fear A Painted Devil*, at 80p each. Tomorrow a new volume of her short stories, *Means of Evil and other stories* appears in hardback from Hutchinson at £4.95. Ever since her first book she has been steadily productive and now has some 20 titles to her credit.

Half of them feature her regular detective, Chief Inspector Wexford, and his colleague Inspector Burden, whose base of operations is the police station at Kingsmarkham in the county of Sussex. Kingsmarkham has over the years nurtured a rich crop of thefts, murders, stolen babies, and assorted mayhem.

The crimes have their origin not in some sensational aspect of human wickedness but in the intolerable conflicts that may all too easily occur in a small closed contemporary community. They are perpetrated by, and upon, ordinary rather dull people whom you might find jostling you at a bring and buy sale, or sitting at the next table in the carpeted local pub. Wexford and Burden are usually confronted by the sudden death of someone seemingly so innocuous, after leading a life so ineffably average, that it is difficult to see how anyone could have cared strongly enough to polish such a person off. However, within this grey area of ordinariness clues eventually emerge for those with eyes sharp enough to see them.

The Chief Inspector is also a thoroughly ordinary chap with a stable marriage and a daughter who has a habit of dumping his grandchildren on him just when he is in the middle of a particularly exacting case. Miss Rendel uses the private lives of Wexford and Burden as a kind of contemporary norm by which the disturbances and aggressions in the lives they are investigating may be measured: one of the subtleties that make her books so readable.

All the stories in the new volume are cases for this stolid British sleuth who, "getting on for 60, was a tall, ungainly, rather ugly man who had once been fat to the point of obesity but had slimmed to gauntness for reasons of health." In the first three tales we see him pondering crimes involving both the oldest and the youngest members of the community with some really shocking revelations at the geriatric end of the scale. After these prize, home-grown specimens Miss Rendel widens her range by transporting Wexford on leave to Dubrovnic where to the dismay of his missus he notices something slightly wrong about the affable English couple they meet in a café and feels compelled to investigate, wrecking the holiday but of course ferreting out a crime. Finally Miss Rendel takes us back a century or so in her last story: Wexford is given a manuscript re-examining a celebrated local Victorian crime, and asked for his professional opinion by a fellow-guest at Burden's wedding.

There is perhaps one respect in which the gaunt, normality of Wexford's mind departs from that of the average citizen. It is in the remarkable extent of his knowledge of literature. Miss Rendel is very partial to literary allusions and literary clues. From *Doon With Death*, still one of her most enjoyable books in spite of the strong whiff of the 1960s about it, has a quotation from the *Oxford Book of Victorian Verse* at the head of each chapter and this anthology has been cunningly integrated into the mystery.

Literary clues are all right in moderation, and it's gratifying if you happen to recognise them and guess horrors they conceal, but if as in *A Sleeping Life* the entire enigma turns on the meaning of one recondite historical reference, then the reader who does happen to know feels short-changed, as a writer of royal biographies, an admirer of Miss Rendel's complained to me the other day.

Some of Miss Rendel's clues, whether literary or not, can be astonishingly recondite, deriving from remote aspects of medical or botanical knowledge. But then whoever heard of a crime-writer who played fair all the time? Miss Rendel has shown that the classical detective story (short and long) is like the Liberal Party, a peculiarly British institution whose recent demise has been much exaggerated.

Suit yourself

FASHION

LUCIA VAN DER POST

THIS WINTER, as anybody who ever looks in a shop window or a fashion magazine will already be aware, the whole fashion scene has dramatically changed. In the place of the rather fey earth-creature, or the shawl-swathed peasant we have (ideally) a slim, tall, elegant, sophisticated creature who wears what just a year ago would have been considered far too much make-up and her hair looks very much as if it's been carefully coiffed instead of left to dry all on its own.

Essential to anybodys wardrobe is, therefore, a suit. A suit is both practical and yet it gives "the look" immediately. A suit can be teamed with a blouse and fine, high-heeled shoes for smarter wear and for finer weather. As temperatures fall, you can wear it with a sweater and boots and later still, add a muffler for extra warmth.

I can't remember how long it is since I last wore a suit but I remember the fashion writers of the time waxing lyrical about its versatility and its usefulness—certainly, I have found all this to be true. It is a versatile and a useful garment. It can be worn to look either very smart, very dressy or very practical and workday. What it isn't, is relaxing.

With a suit you need to remember to hold your stomach in, you need to watch your shoes (high heels indubitably look best), the waist should be trim and the whole thing is altogether more demanding than those lovely sloppy days when we piled layer upon layer and nobody bothered too much about the odd excess inch.

However, if you are looking for a suit and can't be sure that you will find one that does anything for you, a pretty young designer, Celia Mortimer, has come up with a group of jackets and skirts which enables almost any shape to be perfectly suited. Celia Mortimer herself is tall and slim and would look good in anything but she has taken to heart the problems of those who are not as trim as they might be.

The group of clothes sketched here are part of a completely integrated collection—you can select any jacket to go with any skirt and either of the two blouses will look good with any skirt or jacket. The collection is based on pure wool cloth in burgundy, black, curry (my favourite of the colours) or navy. There is a very elegant skirt for those who are slim and tall (sketched just above), there is a slim-looking skirt which is easier to wear and far from tight (sketched near left) and finally for those who feel easier in a slightly fuller skirt there is a gently gathered version (sketched far right).

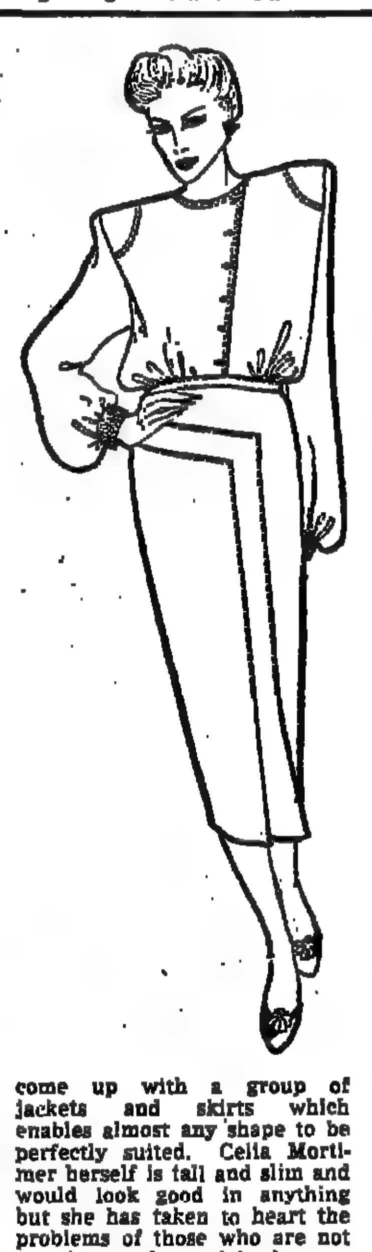
The asymmetrical stitching on the two slim-line skirts give them a great deal of elegance and they are both a lot easier to wear than they look. Though the fuller skirt is a nice option for those who really can't wear either of the other two, it is less up-to-the-minute and less elegant.

There are two jackets—top right is an easy, cardigan-style jacket which is belted to give it the right outline and which is certainly the more relaxed of the two options. The asymmetrical jacket top left is much more "directional" and very sophisticated to look at, but less easy to wear for everyday. The stitching on skirts and jackets give the whole outfit a very expensive air. All skirts and jackets are fully lined.

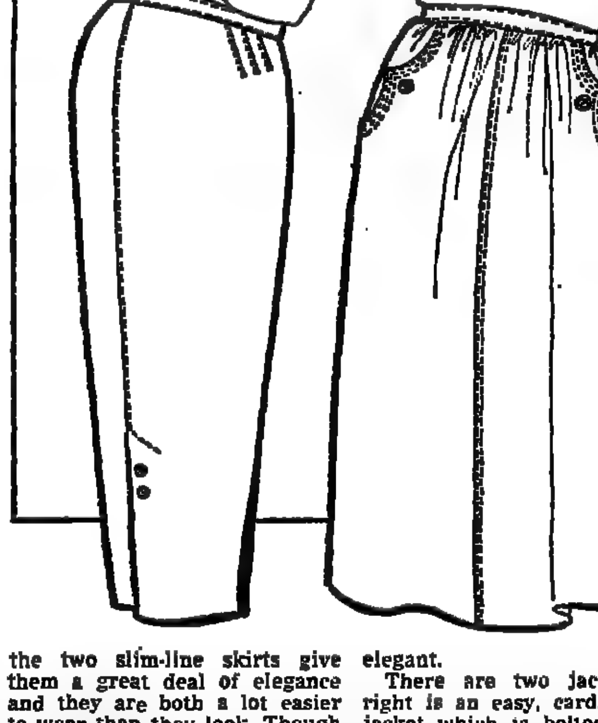
Designed to complement the suits are two pure silk shirts. I like best the one far left with theasymmetrical fastening and the padded shoulders and in my view, it looked best under the cardigan-shaped jacket. There is a simple, roll-collared shirt which really looks nicest under the asymmetrical jacket.

However, the idea behind the group is that those who are interested should try on different combinations and find the arrangement that most suits them. The cardigan-style jacket is £69.00, the asymmetrical one is £81.50. The easy skirt is £44, the other two are £42.50 each. The roll-collar silk shirt is £35, the asymmetrical one £35.50.

The following shops have a good selection of Celia Mortimer designs: Bentalls of Kingston; L'apparelle, 8, Chad Square, Edgbaston, Birmingham; The Boutique, Old Market Place, Grimsby; Simpsons of the Strand, Piccadilly, London, W1 (who will order anything they don't have); Fox Moth, 32, Queensway, London, W2.



Drawings by Celia Baker



CHESS

LEONARD BARDEN

BRITISH CHESS has made great advances since the two decades after the war when most of the theoretical work on the game was done in Russia, Holland and Yugoslavia while our players produced few opening innovations.

Nowadays the intensive tournament activity within this country has led to sharply higher standards, so much so that young masters from Western Europe and Scandinavia increasingly travel here for strong experience, much as their counterparts in the East used to go to tournaments in the USSR.

This more rapid development has been encouraged by the Cutty Sark Grand Prix which awards an annual £2,000 individual prize for the best overall performance by a home player in British tournaments.

The 1979 Cutty Sark event is now in progress with the prize still an open contest among grandmaster John Nunn, Murray Chandler who recently won the Lloyds Bank and Benedictine events, Mark Hebden whose successes in weekend events include shared first in the recent Aaronson Open, and our latest international master Paul Littlewood.

Littlewood's results show the value of the Cutty Sark circuit to players unable to command a regular place in the England national team. He won both the 1978 Lloyds Bank Masters and the 1979 Aaronson Masters ahead of a flock of continental GMs and IMs, and comfortably completed his qualification for the IM title at the 1979 Lloyds Bank event. At the age of 23, he is clearly set for higher levels than even his father John Littlewood, for many years the leading North of England player.

One of Littlewood's wins in the Grieveson Grant British Championship at Chester provided a good example of the stream of innovations now emanating from young British players. It is an important novelty in the main line of the Queen's Gambit Accepted, and the idea comes from the Surrey University player Glenn Flear.

White: P. E. Littlewood. Black: A. Muir. Opening: Queen's Gambit Accepted (Grieveson Grant British Championship, 1979).

1 P-Q4, P-Q4; 2 P-QB4, PxP; 3 N-KB3, N-KB3; 4 P-K3, B-N5; 5 BxP, P-K3; 6 P-KR3, B-R4; 7 N-B3, QN-Q2; 8 0-0, B-Q3; 9 P-K4, P-K4; 10 P-KN4!

The position after Black's ninth has occurred frequently in master chess, and the usual continuation has been 10 PxP, QNxP; 11 B-K2 hoping to use the Q-side pawn majority in a simplified ending. The new idea is a K-side pawn roller aiming to control key squares.

10 . . . B-N3 (the sacrifice NxNP; 11 PxN, BxP; 12 P-Q5 is unsound); 11 PxP, QNxP; 12 NxN, BxN; 13 P-B4! (offering the KP to attack the BK on the central file), Q-Q5 ch; 14 QxQ, BxQ ch; 15 K-R2, BxN; 16 PxB, BxP (P-KR3 leaves the bishop shut in); 17 P-N5, N-Q2.

A better chance is B-Q4 though 18 R-K1 ch still gives a strong attack: K-B1; 19 B-R3 ch, K-N1; 20 PxN, BxB; 21 R-KN1, or 18 . . . K-Q2; 19 R-Q1, K-B3; 20 B-Q3 intending R-QN1, P-B4 and B-K4 ch.

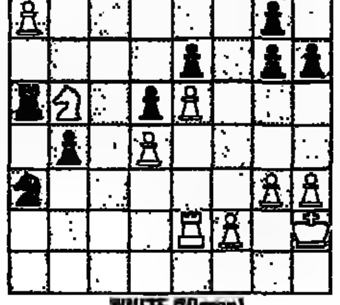
18 R-K1, P-KB4; 19 PxP ep, NxP; 20 B-Q3, 0-0.

Conceding material and the game, but if 0-0-0; 21 BxB, KR-K1; 22 B-B5 ch remaining a piece up, or if K-B2; 21 RxB, NxR; 22 BxN with the better ending.

21 BxB, QR-K1; 22 B-R3, NxB; 23 BxR, KxB; 24 R-K3 (after the rook exchange the endgame is won despite White's broken pawns), K-B2; 25 QR-K1, N-Q3; 26 RxR, NxR; 27 R-K5, N-Q3; 28 R-QB5, N-K1; 29 K-N2, K-K3; 30 K-B3, K-B2; 31 R-QR5, P-QR3; 32 P-QB4, K-K3; 33 R-K5 ch, K-B2; 34 P-QB5 (now the backward QNP is vulnerable), N-B3; 35 R-K3, P-QN3; 36 R-N3, N-Q2 (missing a tactical point, but after PxP; 37 R-N7 or P-QN4; 37 R-R3 the rook starts to eat pawns!); 37 P-B6; N-B3; 38 RxP, Resigns.

POSITION No. 288

BLACK (10men)

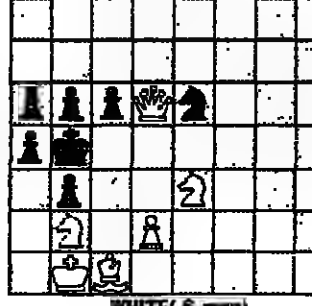


WHITE (10men)

From a Russian tournament game: White (to move) has a passed pawn on the seventh, but if 1 NxN, PxN; 2 P-R8(Q), RxQ and Black should win. What should White play, and how should the game go?

PROBLEM No. 288

BLACK (7 men)



WHITE (6 men)

White mates in two moves, against any defence (by W. A. Shinkman, Montreal Spectator 1880).

Solutions Page 16

BRIDGE

E. P. C. COTTER

I HAVE been examining *Bridge Challenger*, a bridge computer which will play as your partner, or play two, three, or even all *four hands*. Though it is prototype A, I was impressed by its performance. It uses the popular conventions such as Two Clubs, Stayman, Blackwood etc., it can finesse, ruff, operate a squeeze, and it defends reasonably well. For further information apply to J. Morrison, Segio, 01-370 4436.

I had an enjoyable partnership recently with a woman friend who plays a good game, though she is not *au fait* with the more advanced forms of dummy play. This hand was the highlight of the afternoon:

	N	
	♠ K Q	
	♡ 10 8 7 5 3	
	◇ K 10 7 6 4	
	♣ 5	
W		E
♠ A 9 7 2		♠ 10 5 4 3
♡ K 2		♡ 4
◇ J 5		◇ Q 8 2
♣ A K 10 9 7		♣ Q 8 6 4 3
	S	
	♠ J 8 6	
	♡ A Q J 9 6	
	◇ A 9 3	
	♣ J 2	

My partner in the South seat dealt at a love score and bid one heart, West said two clubs, and my raise to four hearts concluded the auction.

After cashing the club King, West switched to the spade Ace, and played a second spade to dummy's King. Now South led a heart from the table and went up with the Ace, saying: "One doesn't finesse for the King with ten cards," an *ex cathedra* pronouncement which did not fill me with confidence, but I watched the progress of the hand with interest.

After making the spade Knave, my partner ruffed her last club in dummy, and made King and Ace of diamonds. Disappointed because the Queen and Knave had not both fallen and ready to concede defeat, she led a trump to put off the evil day for a trick longer. West had to win, and was securely endplayed. The club return allowed declarer to ruff on the table while she threw her losing diamond.

"Well played—that was brilliant," I said to my partner as she looked up, somewhat bewildered, but now convinced that Santa Claus is for real.

With ten trumps it is *per se* correct to finesse for the King, but here the play of the Ace with an endplay in mind has much to recommend it. A defender with King of hearts may well have only two of the five missing diamonds. Out of the mouths of babes. . . .

This hand from a pairs event in which I was playing required a similar endplay:

	N	
	♠ J 5 2	
	♡ Q 9 5 3	
	◇ A K 8	
	♣ A 7 2	
W		E
♠ A K 9 7 6		♠ 8 4 3
♡ K 10		♡ J 6
◇ Q 9 7		◇ 5 4 3 2
♣ K 9 6		♣ J 8 4 3
	S	
	♠ Q 10	
	♡ A 8 7 4 2	
	◇ J 10 6	
	♣ Q 10 5	

East dealt with East-West vulnerable, and after two passes West bid one spade, North doubled, and South in optimistic mood bid three hearts, which his partner raised to four.

West cashed Ace, King of spades, and continued with a spade to dummy's Knave, on which the five of clubs was thrown from hand. West, marked with nearly all the missing points, was born to be endplayed, but precise timing was needed to take advantage of that fact and bring home the contract.

Leading a low heart from the table, South played his Ace, and the fall of West's ten suggested that the endplay might be on. But there was preliminary work to be done. At the fifth trick the diamond Knave was led, West covered, and three diamond tricks were cashed. Declarer now played a heart, forcing West into the lead. He had no return that was not fatal—a spade would concede a ruff discard, a club would run up to the declarer's Queen.

ARTS

Graham Green

All systems Greene

"It was noon and summer when I arrived at that house 18 years before, aged 26 and carrying a copy of *Brighton Rock* wrapped in a Daily Express containing James Agate's review of the novel which had appeared that morning." Of all the tributes to Graham Greene which we have heard this week on radio to mark his 75th birthday I do not think there has been anything which has given such a revealing impression of the novelist, in particular his courtesy to a younger writer in the same line of business as that by J. Maclaren-Ross in *Memoirs of the Forties*.

The house which Maclaren-Ross remembered was on Clapham Common and when he lived there in 1938 Graham Greene was not the international superstar of fiction-writing he is today. He was writing

RADIO
ANTHONY CURTIS

reviews as well as novels and beginning to get film assignments. He was even, according to Maclaren-Ross, considering writing a radio play about Benjamin Jowett. (Did anything come of the project? If not, could it please be resuscitated?) It was over a proposed radio adaptation of the novel *A Gun For Sale* that Maclaren-Ross had made the journey to visit Greene at Clapham and he describes the rapidity with which Greene dealt with problems of translation from the printed page to the air. ("How does Raven find out Cholmondley's going to Nottwich?" asked Maclaren-Ross. "Greene said: 'Cholmondley could drop his railway ticket. In the Corner House again, when he takes out his wallet.'")

It was a much older and a much younger Graham Greene who was depicted and discussed by the distinguished contributors to Philip French's full and fascinating radio portrait, *Graham Greene at 75* (Radio 3, October 1) than the family man of letters in pre-war London. We heard from his brother Sir Hugh Greene, about the Berkhamsted schooldays Greene experienced as son of the headmaster. And we were given warmly appreciative impressions of him as an English expatriate in Antibes by contemporary writers such as Anthony Burgess, Paul Theroux and Michael Meyer. With Mr. French as presenter there was no danger that Mr. Greene's fruitful period as a film critic would be overlooked. Dilys Powell said simply that he was the best film critic to have written in English; nor did they ignore the influence of the cinema on the technique of his novels, a point developed by Sir Victor Pritchett.

Graham Greene was heard briefly in the programme. He does not, it would seem, have the same rooted objection to appearing on radio as he does to being seen on television, but his radio utterances are all too rare ven so. A few years ago he made some comments in a programme about his old friend Herbert Read. It was thus a great treat to have a whole uninterrupted half-hour of him speaking from his own home about the work of another old friend in *Graham Greene on Evelyn Waugh* (Radio 3, October 4). For anyone wanting a conspectus of the novelists admired by Mr. Greene in his own and earlier generations, it is Waugh who is conspicuously absent from his *Collected Essays* (1969). He should really be there along with Ford and James, Mauriac and Rider Haggard, and even some novelists whom Mr. Greene does not particularly admire such as Maugham. Now that gap has been happily filled. We heard his informed diagnosis of the conflict in Waugh's artistry betwen the satirist and the romantic and importance of the various disillusionments Waugh suffered in love, in war and in religion. Greene's own preferences among the whole work, which he likened to some vast estate in which one suddenly sees unexpected vistas, were not always predictable. He admired the early novels—who does not?—but dissented from the view that *The Sword of Honour* is Waugh's finest work. That accolade Greene used to give to *The Ordeal of Gilbert Pinfold*, but more recently this work has ben overtaken in his esteem by *Brideshead Revisted. Remisited.*

To complete the Greene celebrations we heard a repeat of Ronald Mason's 1970 production of the stage version of *The Power and the Glory* by Dennis Cannan and Pierre Bost, and tomorrow there is a radio play made from *The Third Man* in *Afternoon Theatre*. And for anyone who wants still more Penguin have just published *The Human Factor* at £1.25 which is being made into a film by Otto Preminger with Nicol Williamson.

Radio 3 when not in Greeneland gave us two original plays which cleverly exploited the medium of the air, Kate Soper's *The Lizard Syndrome* (September 30) a first effort with Judi Dench questioning her own motivations for 45 minutes, and James Saunders's *The Last Black and White Midnight Movie* (October 4), a noisy spoof on the kind of film which Mr. Greene often had to review.

Diary of a provincial Lear

Although one approaches productions of *King Lear* in the provinces with the sort of trepidation one would muster at the thought of an amateur light opera company attempting *The Ring*, it says much for the spirit of our beleaguered regional movement that two revivals of the titanic work opened this week at the Oxford Playhouse and the Bolton Octagon. Admittedly, the play is once again on the A-Level syllabus, thus guaranteeing the custom of local schools. But full audiences do not solve the problems of staging or even of meeting a large wages bill. Both theatres manage to get by with a company of 18 actors.

The two great Lears of our day, Donald Wolfit and Paul Scofield, were, respectively, barnstorming and eloquently nihilistic. More recently, our Lears have been built on a realistically modulated scale, remarkable for tetchiness giving way to lyricism (Eric Porter), martial resilience subsiding into

THEATRE
MICHAEL COVENEY

hollow-eyed resignation (Donald Sinden), or precise physical and psychological disintegration (Michael Hordern). Elements of all three of these latter-day Lears are usually to be found in competent, uninspired interpretations, and so it proves at Oxford and Bolton. No-one ever matches, though, the blend of pathos and accurate comedy found by Mr Hordern and his director, Jonathan Miller, in the storm scenes which, in both the productions under review, go scudding by in a meaningless jabber.

Ordinary productions of *Lear* are curiously susceptible to irruption of Ooarse Theatre mayhem. At Oxford, Oswald falls on his own sword in the fight with Edgar and is hilariously bundled off the acting area. Rolled ham. At Bolton, Edgar's sword sticks in its scabbard when Edmund engages his brother in the phoney battle; the corpses of Goneril and Regan at the end resemble a couple of old winos wrapped in grey blankets, soldiers litter the stage in the final scenes sporting helmets that look suspiciously like upturned colanders; the Fool, after a sprightly entrance in cap and bells, falls off the set.

But what of the rival protagonists? The Oxford Lear, Alan MacNaughton, has cultivated a magnificent mane of flowing white hair and grown a beard. His Bolton opposite number, Wilfred Harrison, relies on a wig and Father Christmas growth on his chin, within which forest of false hair he squints, rants and warbles often inaudibly and always at great speed. Mr. Harrison's best moments are injubitably on Dover Beach in the authority speech. We observe Mr. Harrison's Lear rather than become involved with it. Why, for instance, does he stand during his last speech pointing at the dead Cordelia when everything in the play and the lines demands that he should be cradling her in his arms?

Mr. McNaughtan's is a much more intelligent stab at the role, on the whole very well and reasonably spoken. His habit of shuffling around to register madness is, however, monotonous and irritating. His director, Gordon McDougall, has placed the action on a raised thrust disc covered in peat. Characters run their fingers through this grimy stuff whenever they mention Nature. The Fool is doubled with Cordelia by Alyson Spiro, no doubt as "And my poor fool is hanged" can be referred to both cracaters. Apart from that, the idea is fatuous as, if Cordelia does masquerade as the Fool, how on earth can she be raising an army in France?

Both Edmunds are poor. At Oxford, John Flanagan is a vain poseur, lacking in either deviousness or glee, while Peter Chandler at Bolton is merely colourless. For Oxford, points are scored by Tenniel Evans as Gloucester and Louise Jameson as an overtly sexy and sadistic Regan in a scaly see-through (a costume which prompts Albany to call her, instead of Goneril, "this gilded serpent"). For Bolton, fair claim on our attention is made bq Lesley E. Bennett as Regan, David Acton as Edgar (although he must differentiate his voices at Dover more studiously, as blind Gloucester is quick to know a man by his speech) and Paul Lowther as the King of France.

Wilfred Harrison as Lear and Amanda Burton as Cordlia in the Bolton version (top) and Alan MacNaughten (below) at the Oxford Playhouse.

Weekend Choice

SATURDAY—BBC2's love affair with opera continues with a recording of the Royal Opera's production of *Tosca* performed in Tokyo at the start of their very sucessful Japanese tour. Montserrat Caballe in the title role this is one transmission that requires little recommendation. Later *Face to Face*, the Ingmar Bergman film, starts a four-part TV serialisation and will doubtless appeal to the sado-masochistic minority. A more worthy cinematic masterpiece is Renoir's *Le Bete Humaine*, shown earlier in the evening on BBC2.

SUNDAY—Some good stolid viewing today, starting with *Masters of the Baroque* at 3.50 in the afternoon on BBC2, which looks at Rubens, and continuing through a better than average *The World About Us* view of a dry lake in Namibia, progressing with *Joan Bakewell at the Booksellers*, following three different works through to the shelves, and concluding either with the John le Carre repeat, or *Everyman: The Buddhists Come to Sussex* an examination of a Buddhist colony setting up in a picturesque Sussex village. Around tea time *The Legend of King Arthur* starts the first of eight episodes on BBC1.

The Queen to open Lyric Hammersmith

The Lyric Theatre Hammersmith is to be officially opened by the Queen on Thursday, October 18.

Following the opening ceremony she and the Duke of Edinburgh will attend a performance of *You Never Can Tell* by Bernard Shaw.

You Never Can Tell is the first production to be staged at the Lyric for 14 years, since the theatre's closure in 1965. Hammersmith and Fulham Council have now rebuilt and refurbished the theatre, incorporating the original Victorian auditorium and adding a new Studio Theatre, spacious foyers, bars and a restaurant.

The Lyric Studio Theatre will open one week later on Thursday, October 25, with Fenella Fielding's theatre-cabaret entertainment *Fenella on Broadway*. W6.

Trust the ENO

SPONSORSHIP
ANTHONY THORNCROFT

This week the English National Opera announced the formation of a charitable Trust which should provide money to finance new productions. This is belated recognition of the fact that, in contrast to Covent Garden, the ENO has been unsuccessful in attracting corporate and private sponsore.

In the past the company only received around £60,000 a year from outside sources (although it should be £80,000 this season) while Covent Garden can expect almost this amount from a company anxious to associate itself with each new production of an opera or ballet. The Trust is a first step in selling the ENO to industry.

There will, in fact, be two funds, from one of which the trustees can only donate income towards new production while from the other actual capital can be committed. Already the new production of *Aida* has been helped, for the Trust has got off to a good start with a £100,000 contribution from the Benjamin Meaker Charitable Trust.

The ENO has a good case to present to potential sponsors; it has, with the Coliseum, the largest theatre in London so it can deliver a substantial audience; it performs in English and appeals to people just starting to take an interest in opera which gives a valuable educative role; and it keeps production in its repertoire for a ong time, so any sponsored opera gets exposure for up to eight years, or more.

There are also no doubts about its creative standards. The ENO has lost out perhaps because it cannot match the international prestige of Covent Garden but its growing reputation in the artistic life of the country make it a powerful attraction and already the sponsors are starting to come in. Martini Rossi annually supports a production, and the National Westminster is making a generous contribution of two thirds of the production costs of the new Fidelio. With Nicholas Goodison, chairman of the Stock Exchange, a trustee of the new Trust, along with Lord Goodman and Denys Lambert, the ENO looks well placed to finally take its rightful share of any commercial cash available.

One section of the population currently attracting the attention of sponsors is children. This week Clarks, the shoe company, announced that it was putting up over £40,000 to help a national autumn tour by Whirligig Theatre a new national touring children's theatre group formed by David Wood and John Gould. Clark's money will ensure that the seat prices are low and will also help pay for certain free gifts that the theatregoers can receive.

The company opens with *The Plotters of Cabbage Patch Corner* at Sadlers Wells on October 9 and then tours Stevenage, Wolverhampton, Poole, Darlington, and Hull, among other places, before settling at Reading for the Christmas season. Performances will be mornings and afternoons and slanted at schools. If the venture is a success Clarks could well maintain its involvement next year.

Another company associating itself with children, also for obvious reasons, is Cadbury, which will take over from Kellogs next year the sponsorship of the National Exhibition of Childrens Art. This is a touring exhibition, and for the 1979-1980 tour, currently under way, there were 37,000 entries for 540 exhibits.

Every week, despite the difficult economic situation, news of fresh sponsors, or continuing commitments by existing corporate friends of the arts, pour in. In the last few days Saga Holidays has announced that it is giving the Buxton Festival, which started this July, £10,000 in each of the next seven years. Saga owns the Palace Hotel, the grandest in the town. Datsun UK is a new major sponsor for the Philharmonia Orchestra for the 1979-1980 season, while at a more human level actor Timothy West became the first winner of the Old Court Scotch Whisky monthly television award for his performance in *Churchill and the Generals*. Each month Old Court is giving a gallon of whisky and a scroll to people or production groups who contribute most to the quality of television in the month.

One of the biggest supporters of the arts in the UK, Imperial Tobacco, has released details of its fifth season of celebrity concerts in Bristol, its hometown, The Welsh National Opera is presenting nine different operas; there is a visit from the London Festival Ballet; the King's Singers are performing as is Julian Lloyd Webber.

TV Radio

BBC 1

† Indicates programme in black and white.

9.05 am Horseback. 9.30 Multi-coloured Swap Shop. 12.27 pm Weather.
12.30 Grandstand: Football Focus (12.35); Handball (1.05) W. Germany v British Select Team; Racing from Chepstow (1.35, 1.50, 2.20, 2.50); Rallycross (1.40, 2.40, 3.20) RAC British Rallycross Championship—Finals; Crown Green Bowls (2.10, 3.30, 4.20) John Player Champion of Champions Trophy; Prix de L'Arc de Triomphe Preview (3.10); 3.45 Half-time Football Scores. Show Jumping (3.50) Horse of the Year Show: The Calor Gas Championship; 4.40 Final Score.
5.10 Bugs Bunny.
5.20 News.
5.30 Sport/Regional News.
5.35 Junior That's Life.
6.15 Dr. Who.
6.40 Larry Grayson's Generation Game.
7.35 Secret Army.
8.30 Mike Yarwood in Persons.
9.00 Show Jumping: The Radio Rentals Championship.
10.15 News.
10.25 Match Of The Day.
11.25 Parkinson.

All Regions as BBC 1 except at the following times:

Scotland—4.55-5.10 pm Scoreboard. 5.30-5.35 Scoreboard. 10.25 Sportseene. 10.55-11.25 Cameron On Camera. 12.25 am News and Weather for Scotland.

Wales—5.30-5.35 pm Sport News Wales. 12.25 am News and Weather for Wales.

Northern Ireland—3.30 pm Motor Cycling (Embassy Short Circuit Championship). 4.10 Re-join BBC 1 (Grandstand). 5.00-5.10 Scoreboard. 5.30-5.35 Northern Ireland News. 12.25 am News and Weather for Northern Ireland.

BBC 2

8.05 am-1.55 pm Open University.
†2.50 pm Saturday Cinema: "Mrs. Parkington," starring Greer Garson and Walter Pidgeon.
4.50 Horizon.
5.40 A Diary of Britain.
6.20 Something Else.
7.00 News and Sport.
7.15 Tribute to Jean Renoir, followed by †"La Bete Humaine," starring Jean Gabin and Simone Simon.
9.00 Tosca in Tokyo with the Royal Opera
11.05 News On 2.
11.10 "Face to Face," film in four parts starring Liv Ullmann.
†12.00 am Midnight Movie: "Sherlock Holmes Faces Death," starring Basil Rathbone and Nigel Bruce.

CHANNEL

Channel is the only IBA company transmitting programmes during the present industrial dispute. Details of this local service are given below.

5.00 pm Puffin's Birthday Greetings. 5.05 Chopper Squad. 6.00 Tarzan. 7.00 Emergency. 7.55 Feature film: "The Green Berets." 10.25 Police Surgeon.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.03 Playground. 8.00 Ed Stewart. 10.00 Tony Blackburn. 1.00 am Adrian Justo (S). 2.00 Paul Gambaccini (S). 4.00 Rock On (S). 5.30 It's Rock 'n' Roll (S). 6.31 In Concert (S). 7.30 Peter Powell. 10.00 Al Matthews with Discovatin'. 12.00-5.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 1.00 pm With Radio 1. 7.30 With Radio 2. 9.30 Big Band Special (S). 10.02 Nordring Festival 1979. 11.00-5.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Paddy O'Byrne (S). 8.03 Racing Bulletin. 8.06 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm Vince Hill with Star Choice (S). 1.02 The News Huddlines with Roy Hudd. 1.30-6.00 Sport on 2: Football League Special (1.30, 2.00, 2.30, 3.05, 3.45, 4.42, and at 5.00, 5.45 classified check); Racing from Newmarket (1.30, 2.15, 2.55, 3.30). Golf (1.30, 2.05, 2.40, 3.20, 4.50, 5.30). Dunlop Masters: final day; Show Jumping (1.30, 2.10, 2.45, 3.10, 5.30) Horse of the Year Show: Sports Report (5.00). 6.03 Europe '79. 7.02 Three in a Row. 7.30 Radio 2 Top Tunes (S). 8.02 National Brass Band Championships of Great Britain (S). 8.50 Semprini Serenade (S). 9.30 Horse of the Year Show Special. 11.02 Sports Desk. 11.10 Ray Moore (S) with The Late Show, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review including Building a Library (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Mozart in Paris in 1778 (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.45 "Le Jongleur de Notre Dame," opera in three acts by Massenet (S). 8.30 Bartok Quartet concert, part 1 (S). 9.15 Interval Reading. 9.25 Concert, part 2. 10.00 BBC Northern Symphony Orchestra in Hong Kong Concert, part 1 (S). 10.50 Interval Reading. 10.55 Concert, part 2. 11.55-12.00 News.

VHF only—6.00-8.00 am Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Meeting People is Hard (look at Lonely-Hearts Columns). 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 Conference Special (Report on the Labour Party Assembly). 10.30 Daily Service. 10.45 Pick of the Week (S). 11.35 International Assignment. 12.00 News. 12.02 p.m. Money Box. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday afternoon Theatre. 3.25 Smith on Saturday. 3.30 Does He Take Sugar? 4.00 News. News. 4.02 Meditation. 4.30 Time for Verse. 4.40 The Magic of Music (The Double Concerto by Bach). 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Terry Wogan. 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten Our Darkness. 11.15 Instant Sunshine and . . . 11.45 Just Before Midnight (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, shopping, sport. 8.30 London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-5.00 am Join Radio 2.

London Broadcasting

7.00 am AM with Dickie Arbiter. 10.00 Jellybone. 1.00 pm Sportswatch. 6.00 Our Kind of Town. 7.00 Gast Mala. 8.00 Monty at Large. 9.30 Hugh and You. 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.00 pm Afternoon Delight with Mike Allen (S). 6.00 Greg Edwards's Soul Spectrum (S). 9.00 Nicky Horne's Six of the Best (S). 12.00 Mike Allen's Midnight Special (S). 4.00 am The Collection (Classical Music) (S).

TV RATINGS
w/e Sept. 30

UK TOP 20 (viewers m)

1	To the Manor Born	22.70
2	Blankety Blank	21.75
3	Generation Game	21.70
4	Secret Army	20.95
5	Last of the Summer Wine	20.9[illegible]
6	Mastermind	20.58
7	Citizen Smith	20.[illegible]
8	Shirley Bassey	19.95
9	Starsky and Hutch	19.[illegible]
10	Carry On up the Khyber	19.[illegible]
11	Rings on their Fingers	19.5[illegible]
11	Shoestring	19.5[illegible]
13	Star Trek	19.3[illegible]
14	Angels (Wed.)	18.[illegible]
15	Top of the Pops	18.[illegible]
15	Nine O'clock News (Thur.)	18.[illegible]
17	Roots	18.2[illegible]
18	Angels (Mon.)	18.1[illegible]
19	Rockford Files	18.0[illegible]
19	Some Mothers do 'ave 'Em	18.0[illegible]

No programmes were transmitted by ITV. Figures prepared by Audits Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. Top Ten (Nielsen Ratings)

1	Three's Company (comedy) (ABC)	28.2
2	Charlie's Angels (comedy) (ABC)	26.5
3	Little House on the Prairie (drama) (NBC)	25.4
4	60 Minutes (news) (CBS)	24.7
5	M.A.S.H. (comedy) (CBS)	24.5
6	Eight is Enough (comedy) (ABC)	23.8
7	Chips (drama) (NBC)	23.4
8	NFL Monday Night Football (ABC)	22.7
9	Trapper John M.D. (drama) (CBS)	22.[illegible]
10	Dallas (drama) (CBS)	21.9

CHESS SOLUTIONS

Solution to Position No. 288
1 R-K3, NxN; 2 R-KB3! and wins.

Solution to Problem No. 288
1 Q-B3. If NxQ; 2 N-Q3, or if P-B5; 2 Q-B8, or if P-R6; 2 N-Q5, or if K-R6; 2 N-B2.

COLLECTING

Taking the biscuit

BY JUNE FIELD

NOWHERE is the nostalgia boom more evident than in the passion for collecting such extinct packaging objects as brightly decorated sweet and biscuit tins, redolent of childhood afternoon teas and the Christmas shelves of old family grocery stores. When Elizabeth Farrow started to sell old packaging and advertising material in her Dodo shop in Westbourne Grove, in the early sixties, it really was still rubbish: "People thought we were mad. They would actually *give* us the stuff—maybe they felt sorry for us! Mostly they know better now." Today a real enthusiast will happily pay £100 for a particularly choice novelty biscuit tin that might have sold for a matter of pennies in the 1920s.

Tin collecting is now well enough established—it is particularly popular in the United States—to have its own literature. David Griffith has the distinction of producing the first book on the subject, beating by a short head M. J. Franklin whose *British Biscuit Tins 1868-1939* will be published next month by New Cavendish Books.

Mr. Franklin's book, in large format and with 325 colour illustrations, is at once more specialised and, at £29.50, more luxurious. David Griffith's *Decorated Printed Tins* (Studio Vista, £6.95) is a marvel of compression: in one hundred pages it manages to illustrate several hundred examples, half in colour, and to provide a comprehensive social, technical and industrial history of the tin printing business from its origins in the mid nineteenth century to its decline with the Second World War.

The first manufacturer to make serious use of tin for packaging, seems to have been Joseph Huntley (who was joined by George Palmer to become Huntley and Palmer). Huntley's strategic position on the main Bath to London coach road at Reading made him a pioneer in extensive distribution of his products. Needing a means to keep the biscuits fresh on their journeys across the country and overseas, he was lucky to have a son, Joseph Junior, established as an ironmonger just across the road. Young Huntley's firm, (eventually Huntley, Bourne and Stevens) was to play an important part in the development of the elaborate process of lithographic printing on tin plate.

Printed tins have the particular nostalgic appeal of the kind of craft manufactory that could no longer be remotely economic. David Griffith's description of the technical processes of printing in multiple colours on the resistant tin plate — the elaborate art work and the presses that required seven people to tend them — force you to revalue these ephemeral and disposable objects as triumphs of late Victorian technology.

Not that they were all that disposable. The grocery market was competitive, and the big manufacturers of biscuits and sweets fought fiercely for it by giving their customers something worth keeping. In the early days it was sufficient to provide a highly decorated tin, all gilt and pretty pictures, which would serve as a handy container after its contents were used up.

After 1900 came the novelty tin. Tins were made in ingenious simulations of every kind of container — baskets, leather boxes, suit cases, bottles. The next step was to make tins that would serve as more elaborately useful objects — jewel boxes with drawers, egg-timers, thermometers — or as ornaments. As a child I remember seeing Huntley and Palmer "Worcester vases" or "Victory V" clock sets still ornamenting mantelshelves in Lincolnshire cottages.

More cunningly the manufacturers aimed at the juvenile market. Tins of sweets or biscuits that, once the contents had been scoffed, became toy cars or trains or theatres made admirable dual Christmas gifts. Evidently the sweets firms also aimed to stimulate the market in the traditionally slack summer season: many of them packaged their sweets in seaside buckets.

Not so long ago tins were relegated to the junkiest of market stalls: now you may find odd tins on the shelves of even quite smart antique shops. The principal specialists in this country are Dodo, who generally stocks around 500 tins, and David Griffith himself, who has a shop in Camden Passage. The commonest tins, like late-vintage Oxo, cost a mere 50p or a pound; and there is still a wide and attractive variety between £5 and £10. With the more elaborate tins, however, prices rise quite sharply. You will be lucky even to find the most sought-after types, like the cars and trains.

A number of new tins (sold empty) are currently being produced in response to the nostalgia market. Groombridges have produced a range of reproductions or pastiches of turn-of-the-century grocery packagings. Dodo Designs—originally an offshoot of Dodo Antiques and firmly established as a producer of all sorts of novelties and nonsense, from aprons to comic loo labels—have produced a very pretty range of new designs, marketing at between 50p and £1.50 or so and in themselves quite collectable.

To show that the printed tin is not yet quite defunct as actual packaging, Dodo Designs have designed the tin illustrated here, for Balkan Sobranie's centenary. An original design by Janet Smith, based on old Balkan Sobranie packaging, it will be marketed in the U.S., full of tobacco.


Decorative tin, once despised, now treasured.

Smith and the 'isms

BY IAN BENNETT

UNTIL comparatively recently, the usual critical attitude towards the work of Matthew Smith was, if not total indifference, an almost contemptuous patronising. He was dismissed as a distinctly lukewarm example of that most ubiquitous of stylistic phenomena in early 20th century western painting—a provincial rendering of one of the major art movements to come out of France.

Certainly, in Europe and the U.S. between 1900 and 1940, many painters vie with each other in demonstrating the degree of accuracy with which they could mime Impressionism, post-Impressionism, Pointillism, Symbolism, Fauvism, Cubism, Surrealism and all the other "isms" which had their roots in that fabulously inventive half century in France between approximately 1875 and 1925. In some countries—notably Italy, Russia and Germany—the "pupils" achieved a measure of greatness equal to that of their "masters." Other movements — De Stijl in Holland or the later Abstract Expressionism in the U.S.—also achieved heights of individual greatness, using the lessons of French painting as one of the many different means to a unique and significant end.

Many countries, however, produced no such brilliant native interpretations. In England, Vorticism was an interesting, if short-lived, movement which did, admittedly, produce a few excellent paintings, although it never really rose above the status of a local "version" of Cubism. The history of British painting between the wars is, generally speaking, a catalogue of mediocrity and academic unadventurousness, illuminated by a few lively flashes.

One of the brightest of these was Matthew Smith. Sadly, however, he was surrounded by so much dead wood that the colourful and beautiful flowering of his art has gone almost unnoticed in recent years. It is for this reason that the exhibition organised by Browse and Darby to celebrate the centenary of his birth, which opens on October 4, is so timely and so welcome. It will ensure that Smith's achievement can be judged afresh by a young generation of artists and art lovers, many of whom will, no doubt, find themselves surprised and delighted by the strength of the work on show.

It has to be said that one of the most serious criticisms which could be levelled against Smith is that he merely re-worked Fauvism years after that movement had come and gone in France. There is, to some very slight extent, truth in this. However, such criticism ignores one of the most significant aspects of his paintings. It is an aspect which can, perhaps, be paralleled in some contemporary British art.

It was noticeable, for instance, in the recent Hayward Summer Exhibition, a show of quite remarkable ineptitude, that the two artists who stood out amongst all the dross were Richard Long and Hamish Fulton. Similar though these two may be, it would take an imaginative leap of startling eccentricity to link their work with that of Matthew Smith. But there is a connection, which is perhaps a crucial key to understanding all three artists work.

All three have managed to graft an important new interpretation on to one of the only three significant themes in English art, the depiction of landscape (the other two are animals and formal portraits). Although Smith painted many still-lifes and nudes, it is certainly his interpretation of landscape — either English or French — which constitutes his most dynamic and lasting contribution to British painting.

It might also be argued that, in some indefinable way, both his nudes and his still-lifes are treated as landscapes, both in their volume and depth and in their use of light and shade. Smith, like Long and Fulton, shows an almost arrogant self-assurance in handling the subject which has attracted generations of British painters, many of whom have used it as a vehicle for some of the greatest art of their time.

Matthew Smith's career as an artist was a long one. Born in 1879, he entered Manchester School of Art at the age of 21. He died 59 years later, in 1959. Although not over-productive, his output was considerable. The first major influence on his style stayed with him throughout his career; in 1908, he stayed for nine months at Pont Aven in Brittany, birthplace of *Cloisonnisme*, that flat, decorative and highly colourful style developed in the 1880s by Gauguin and Maurice Denis. The following year, he remained for six months at Etaples, scene of very many Impressionist landscapes.

From 1910 to 1911 he lived in Paris, just managing to attend classes at the school started by Matisse one month before it closed.

The influence of both *Cloisonnisme* and Fauvism is, of course, strong in Smith's early work and, in what these styles were obviously at the root of his liking for strong, powerful colours, they remained of paramount importance to him for the rest of his life. However, it is interesting to see other, less characteristic, efforts emerging at this time, notably in the small *Still Life with Radishes* on view at Browse and Darby (cat. no. 1), which shows that Smith was aware of, and sympathetic to, other currents in French painting, in this case the gentle, pastel, qualities of Nabi still-life painting, and in particular the work of Vuillard.

It would seem as if his pre-First World War French period, Smith was most interested in still-life painting; the Browse and Darby exhibition contains a splendid group of these, including two remarkably beautiful works, *Tulips and Striped Cloth* (cat. no. 4) of *circa* 1911/12 and *Still Life with Lemons*, executed in London in 1914 (cat. no. 5). There is also the powerful composition of 1916, *The Arum Lily*, (cat. no. 7), well known from its reproduction in Francis Halliday and John Russell's monograph on the artist published in 1962. Also executed in 1916 but not included in the Browse and Derby show is a group of extraordinary studies of nude women seated in various postures against heavily blocked grounds of, predominantly, red, green and blue. These remarkably powerful paintings obviously derive much of their strength from Matisse, Derain and, surprisingly, Dufy, during their Fauve period. Nevertheless, especially in *Nude: Fitzroy Street, no. 1*, there also seems to be an awareness of Vorticism: these picture certainly pre-figure later developments in the work of Wyndham Lewis, for instance.

Matthew Smith: A Centenary Exhibition, at Browse and Darby, 19 Cork Street, London, W.1, continues until November 3.

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Saturday October 6 1979

An unchanged agenda

THE SULLEN tone of the markets yesterday reflected a week of rather depressing non-events. Like two grumbling appendices, the two major economic problems of the English speaking world have subsided from apparent crisis, but left behind a disquieting reminder of the dangers they imply. The British economy is not about to come to a standstill as employers and unions slug it out, and the dollar is not apparently about to be overwhelmed in a wave of gold fever; but U.S. resolve to tackle the fundamental problems of credit control remains as suspect as the resolve of British employers in face of industrial action.

The defeat of the Engineering Employers' Federation on what had been proclaimed as an immovable point of principle is to some extent a self-inflicted wound, but none the less painful for that. If there had been no proclamations about where the last ditch lay, the settlement might be seen as a compromise with good points as well as bad. The actual pay increase conceded (on an 18-month basis, it should be noted) is not too far above the offer made at the beginning of the dispute. The concession of a shorter working week is to be made in far smaller stages than the union had demanded, and is delayed; and the fact that this is a four-year agreement does promise some stability.

Heavily damaging

In terms of the politics of wage bargaining, however, the settlement is heavily damaging. Bluntly, the employers misjudged both the mood of the shopfloor and the solidarity of their own members; the apparent lesson is that determined industrial action can still break the most determined employer. It still seems, then, that willpower and reasoned argument alike are insufficient in British labour negotiations.

Stark economic reality, on the other hand, has proved more persuasive. At Ryton the assembly workers of Talbot cars have accepted a settlement which has effectively been on offer for weeks, because they at length recognised that there was no alternative. Their employer could well afford to close the works if it could not earn its keep. The once-militant workforce at Talbot's Linwood plant conceded the same reality from the start.

It will be a tragic waste of resources and goodwill if it proves true across the whole economy that only the approach of bankruptcy or closure will persuade bargainers to abandon the competitive game of "think-of-a-number" which has passed for wage bargaining in this country for too long, but that is what is implied by recent wage settlements against the background of a firm monetary policy and the resultant underlying strength of sterling; and realism may in many cases come too late.

Essential

The present negotiations over Leyland are a warning of the results. Public funds staved off collapse, but the group revenues remain so debilitated that it cannot finance the product development which is essential for survival. The case for more public finance, for a fresh start, which will only be put to the Government if the unions back a realistic corporate plan, is still in doubt.

A better outcome is possible. In the engineering industry, some efficient employers will be able to live reasonably comfortably with the new settlement, and the more marginal ones can still make it acceptable if in their own negotiations they can secure worthwhile increases in producticlty to make sense of their new pay scales; and if the outlook for activity is as depressed as some forecasters now believe, such bargains may be seen on both sides as a matter of survival.

Such a depression will be the result as well as the grim and in some cases fatal cure for a decade of increasingly bad inflationary habits. The experience looks increasingly unavoidable; the only realistic hope is that the lessons learned will last. High wages that are earned by high performance and not too highly taxed could then begin to work as the tonic which the Government would like to prescribe; but first we may have to suffer our purgation.

Foreign doubts

At least we have a Government which has the political will to subject us to any necessary unpleasantness. Mrs. Thatcher is more inclined to seek popularity by asserting British interests abroad than by conceding to pressures at home. President Carter is unfortunately now too weak politically to stand up effectively to pressures on either front.

The continuing fear about the dollar is that this irresolution can only imply one crisis after another, a decline which has so far been slowed down by the Fed and some supportive central banks in other countries, but will only be halted when the figures show that the economy is responding to treatment. An otherwise uneventful IMF meeting at Belgrade has at least exposed President Carter's Secretary of the Treasury to the full weight of foreign doubts.

BREAKING THE PSYCHOLOGICAL BARRIER OF THE 40-HOUR WEEK

The engineers' symbolic victory

BY THE time the national engineering dispute was settled on Thursday night it had got to the point where there had to be a winner and a loser—the chance of compromise on its most important issue had disappeared.

The dispute ended with the employers able to point out that they have achieved the valued objective of co-ordinating payment of national wage increases with local level settlements . . . they have slightly widened the skilled workers' differential . . . they have a long-term agreement which will reduce the chances of further national conflict in the industry for at least four years . . . they did not have to backdate increases to April. . . .

And they have lost. Admittedly the employers made a number of worthwhile gains during the final negotiating session at the Gatwick Park hotel, and there are many elements in the final agreement which, in normal circumstances, would have enabled both sides to emerge proclaiming peace with honour.

But, long before Thursday, the engineering dispute had become a symbolic battle where the side which won the fight over an hour off the working week was going to carry away all the trophies. True, the unions are going to have to wait until November, 1981, to collect their prize—but this does not detract from the fact that the employers went into the dispute determined that, of all issues, they would not surrender that hour.

What went wrong First, the sheer intensity of the industrial action took not only the employers but some union officials by surprise. Many employers started the dispute confident that the national agreement was an abstract issue for engineering workers whose real earnings—but not conditions—are determined at local level.

They believed support for the action would be lukewarm and short-lived. Certainly some engineering workers, particularly in small factories and geographically isolated areas, never joined the strikes and others drifted back to work as they progressed—but there was no really big break in the strike front.

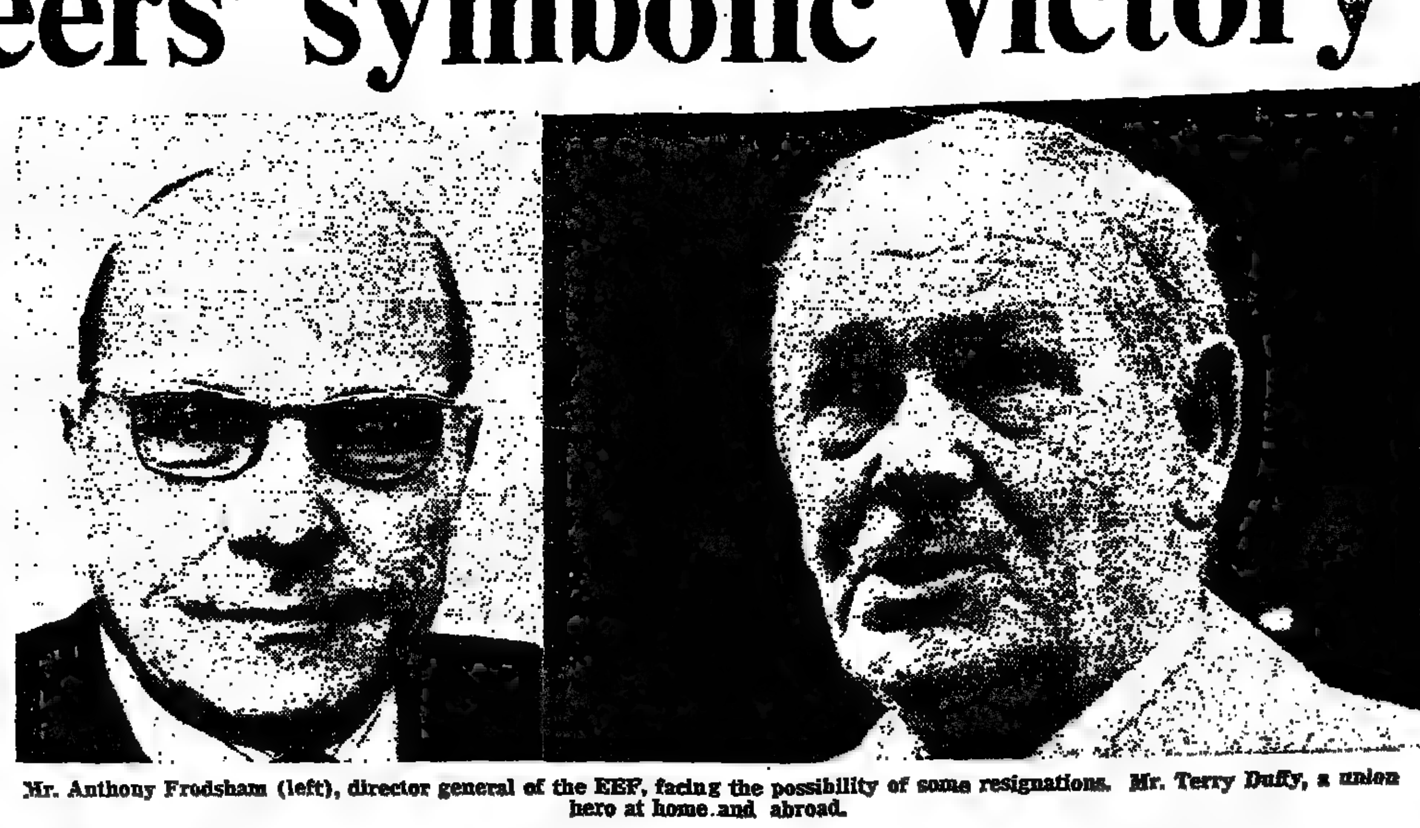
Although some employers reached private settlements with the unions, most remained loyal to the Engineering Employers Federation's "no surrender" line. But privately many companies, particularly smaller and medium sized ones, were becoming increasingly worried about the length of time it was taking to reach a settlement.

Perhaps some actually became frightened by their own propaganda as the EEF issued repeated warnings about bankruptcies and other permanent damage which the dispute would do to the industry. All this led to increasing fears among EEF leaders that the number of companies reaching independent deals would grow.

In a dispute where propaganda was particularly important, the employers' side never completely recovered from the disclosure last week that Sir Arnold Weinstock, chairman of GEC, was entertaining doubts about the future value to his company of national negotiations. Sir Arnold emphasised that he remained opposed to the "irrational" demands of the unions but the whole episode bewildered, and apparently disheartened, many employers.

Mr. Anthony Frodsham, director general of the EEF, and his colleagues overtly imitated trade union tactics and put employers' solidarity to the test in the dispute. The response from member companies was very loyal. But now they have to learn another lesson familiar to many union leaders, and hold their organisation together when the settlement is not all that the members were hoping for.

EEF leaders accept that there will be some resignations from the 6,500-member federation—that much is inevitable. It would, however, become serious if big name companies like GEC did withdraw, although the immediate continuation of national-level negotiations in engineering—the value of which was questioned during the strike—is guaranteed by the four-year settlement.



Mr. Anthony Frodsham (left), director general of the EEF, facing the possibility of some resignations. Mr. Terry Duffy, a union hero at home and abroad.

Away from the immediate battle-ground, the first effect of the 39-hour week settlement will be to elevate demands for shorter working hours in other pay claims from a theoretical ideal to something which can really be achieved. The 17 affiliates of the Confederation of Shipbuilding and Engineering Unions have members in many industries outside engineering who will take their cue from the settlement reached at Gatwick on Thursday.

There are also many important engineering companies which are not in the EEF. Later this month the Ford claim, including a demand for reduced working hours, will be submitted—a two-month-long strike last year failed to move the company on this issue but the engineering unions will now go back into the attack with fresh heart.

The breakthrough is also important because union leaders believe the drive for the shorter working week must be tackled as an international issue. The International Metalworkers Federation—the worldwide co-ordinating body of engineering unions—will fete Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, and his colleagues as heroes on their next visit to its Geneva headquarters. For the British breakthrough comes only weeks after the IMF launched an international campaign for shorter hours which will now be fought with new vigour.

As Mr. Herman Rebhan, IMF general secretary, said at the start of the campaign, the shorter working week is now "on the collective agenda of the international trade union movement as never before. Time, for the industrial worker, is the most precious currency he can trade in. Extra time off gained by workers cannot be devalued. It is fully inflation proofed."

Back at home, Mr. Duffy will continue to bask in the sunshine. He will go into an election to retain the AUEW presidency next year as the man who has achieved a historic breakthrough. Although it was his Left-wing opponents on the AUEW national committee who provided the political pressure for the dispute Mr. Duffy, the man who led it, will benefit.

He has now won, by the end of the agreement, not only a 39-hour-week but a fifth week's holiday for manual workers as well. It is arguable that if a settlement had been reached at last month's abortive peace talks, the employers could have got away with making the holiday concession alone. The longer the strikes continued, the higher the stakes became for both sides.

When the excitement has faded the engineering employers will no doubt comfort themselves with the thought that they have conceded only one hour in four years, against an original claim for a 35-hour week by 1982. But, because it was a symbolic dispute, the symbolic victory is all-important. The 40-hour-week barrier has been breached in a huge industry by unions whose actions have repercussions in many other industries. The engineering unions cannot expect any further reduction in hours before 1983—but, with equal certainty, the employers know they will then be back for more.

But in 1983 several things will be different. A rather illogical, eccentric-looking 39 hour week will be a much easier structure to attack than the 40-hour week now that the principle has been broken.

By 1983, as a result of this week's settlement, much more new ground may have been gained on reduced working hours. And it will not have been forgotten in four years' time that the engineering unions have at last demonstrated they are able to mount large-scale, co-ordinated industrial action in their highly-diverse industry. It is little surprise that, on Thursday night, Confederation leaders dispelled the usual public image of union officials as stern-faced individuals and were actually smiling as they left the Gatwick Park Hotel.

Alan Pike

Counting the long-term costs

THE SALES director of a medium-sized engineering firm picked up the phone last Monday morning to hear his agent in France say that if the piece of equipment for a construction site was not delivered by the end of the week, the customer would place the order with a German firm.

The director said he would do his best, but with the factory at a complete standstill every Monday and Tuesday for the past month, and production at less than 60 per cent of normal, there did not seem much hope.

Estimates of damage done to industries during strikes are frequently exaggerated. When everybody is back at work, the dire predictions of lay-offs and closures tend not to materialise.

But the engineering dispute came at a particularly unwelcome time. Engineering companies are faced with a variety of other problems which are not of their own making, notably the effect of the strong pound on their competitive situation and the onset of worldwide recession.

The damage done to export prospects from late delivery—particularly in an industry which is mostly subject to a high degree of international competitiveness — cannot be overemphasised.

It is not only export prospects that are harmed. Customers in the UK are increasingly finding that the advantages of buying on the home market—proximity to the supplier and easier access to replacement parts—are being outweighed by the unreliability of delivery.

The loss of output during the dispute has varied considerably from one company to another and between sectors. The EEF claimed that towards the end, up to one-third of employees were working normally, although most of these were in small and medium-sized firms.

Private sector steelmakers (mostly in the Sheffield area) which are members of the Federation were badly hit by the overtime ban. Foundries and forging companies were likewise affected because it was impossible to keep the furnaces at a proper heat.

Other companies which have suffered particularly badly include those relying on overtime to complete certain orders (two or three companies due to deliver mining equipment to China, for example), high volume producers using capital intensive equipment, and component manufacturers in general.

BL and Rolls-Royce have probably been amongst the worst hit of finished goods manufacturers. For BL, the only federated car manufacturer, the effects of the dispute have been only partiallyq mitigated by the fact that one of its competitors, Chrysler, was suffering from a separate dispute at the same time. The loss in profits is likely to be in the order of £50m. Other companies which have been hard hit include International Harvester, which reckons to have lost £20m worth of production and GKN, which admitted yesterday to "very heavy costs" having been incurred.

Few companies which have been affected by the strike can have made a profit during the last two months, and many will have gone into losses. Cash flow has been seriously squeezed by lost production, while suppliers whose factories have not been strike-bound have continued to look for payment.

Companies have had to go to their bankers to increase borrowings at a time when interest rates are high, and profitability will continue to be affected in the coming months as the disruption to supplies, etc, are ironed out.

The direct cost of implementing the agreement with the unions is likely to be considerably less than the EEF was claiming during the strike. Some managers are expressing the hope that many employees are now well aware of the damage the dispute has caused to the finances of their employers; combined with the concession that they have gained on the working week, this may influence them to moderate their claims in plant level negotiations.

Productivity in the British engineering industry, however, is poor by international standards. Unless there is a distinct improvement in the coming months, marginal companies will find themselves forced to accelerate the rationalisation programmes which were being ushered in even before the dispute began. If this is the case, the unions will find themselves with fewer jobs instead of the more—the latter one of the avowed objectives of the shorter working week claim. Large engineering groups which have the resources to expand overseas can be expected to view this as a more attractive option to investing in the UK—a process which is already under way in some companies.

But the dispute seems likely to have brought some benefits to the industry as well. The existence of a four-year agreement — albeit not on pay — will be a big asset in helping the industry avoid further damaging disputes, and in costing its future commitments. Long-term agreements are a major factor in the success of many American engineering companies, for example.

The dispute will also have forced some companies, particularly those with a number of products to their name, to reasses the worth of producing standard items which can be made more cheaply in other parts of the world. But the bravest hope must be that a better-paid skilled workforce will make this a more efficient industry.

Hazel Duffy

Letters to the Editor

Housing

From Mr. C. Thomas,

Sir,—May I issue a word of warning to my colleagues in the financial world against jumping on to the housing finance band wagon.

Nationwide Building Society's statistics indicate a housing surplus of 300,000 dwellings and with a falling population there is clearly an over-supply situation developing very rapidly.

There is some evidence of this in the growing reluctance of potential Council house tenants to occupy high rise flats or houses in areas which they do not feel accords with their expectations, whereas a few years ago, they would have been glad to accept anything offered.

It may well be that we will be shortly in a mid-1930s situation when it was almost impossible to sell a house and there were plenty available for rent at reasonable levels.

C. Thomas.
168, Barrowford Road,
Colne, Lancashire.

Gold

From Mr. M. Mitchell

Sir,—I note with interest that Mr. Solomon, the U.S. Under-Secretary for Monetary Affairs, is reported (October 3) to have said that "the soaring price (of gold) is itself reinforcing inflation."

This is a most interesting statement. Suppose that I am a buyer of gold, then in broad terms I am either, (a) a short term speculator; or (b) a long term buyer of what I believe is the only available form of real money (that is, I do not subscribe to the view that gold is a barbarous relic).

The effect of my activity as (a) will be to transfer paper money from someone else's account to mine (or vice versa); that is to say this is a simple transfer of funds which is neither inflationary nor deflationary in its overall effect. As (b), however, I am actually withdrawing paper money (mine) from circulation in order to put the result back into a hole in the ground, thereby immobilising it—a directly deflationary action. The only inflationary effect this can have is upon the major gold producing countries, notably South Africa, but not including the United States. Incidentally, and contrary to the peculiar thinking of the past few decades, this would tend to undermine apartheid more swiftly and surely than any other course of action outside military intervention.

Has some anti-alchemist been tampering with the wisdom of Solomon?

M. R. S. Mitchell.
The Old House,
Aldham,
Nr. Colchester, Essex.

Tourists

From Mr. W. Whalley.

Sir,—We are for ever being told that foreign tourists are good for us, without qualification. This proposition is by no means self evident, even from the narrow standpoint that they bring foreign exchange into the country.

The sportsman paying £1,000 a shot for deer stalking, clearly is all gain. The coachload of youngsters is a more doubtful case. Like everyone else tourists are large consumers of foreign goods. In such countries as France and Italy visitors have little opportunity of consuming imported food, services or manufactured articles, their foreign exchange is nearly all gain to the balance of payments. Not so here, they stay at establishments largely staffed by persons who send a lot of money back home overseas. The food they eat, the articles they buy all contain substantial elements of imported items, to a greater degree perhaps than the native inhabitant. The latter is certainly a consumer of foreign exchange, he is also an earner of the same.

It could be on the cards that the visitor is less beneficial to the British economy than we imagine. Conceivably less beneficial than the inhabitant who spends his holidays at home.

Surely this whole question is one which calls for examination by some disinterested party, presumably an academic. The baffling downward drift of our economy continues in spite of all the remedies we were told would put it right, tourism, immigration, foreign investment, disarmament, nationalisation. Even if the latter are sacred cows beyond reproach, let us have an investigation of the net benefits of mass tourism, not omitting its influence on the case for a third airport.

W. C. R. Whalley.
105 High Street,
Hungerford, Berks.

Stansted

From Mr. G. Hargrove

Sir,—I read with some astonishment Dr. J. Wallace's letter (October 2) on the development of Stansted as the third London Airport and I feel I must comment on his observations.

In advocating Stansted, Dr. Wallace proposes that the use of that airport should be "restricted to quiet modern aircraft." He appears to be unaware that a number of international airlines have already declined to use Gatwick and their negative reaction to operating from Stansted with restrictions on the type of aircraft to be employed can be safely predicted.

What is more serious however is that Dr. Wallace ignores the basic reason why there is such intense opposition to the development of Stansted and of other inland sites. Aircraft noise is only one factor (and it will not disappear with the advent of "quiet modern air craft"). Far more disastrous is the resulting urban pollution of a highly productive farming area of great natural beauty in which thousands of people have chosen to live just because of the rural contentment it provides.

Those of us who oppose the development of Stansted on these grounds are accused by Dr. Wallace of being "rural Luddites." Personally I feel able to bear this indictment with some fortitude knowing as I do that we have the support, not only of the Essex and Hertfordshire County Councils but of the majority of people in Britain.

Additionally, of course, there is the fact that on the two occasions that airport sites have been publicly investigated Stansted on both occasions was found to be unsuitable for a third London Airport.

G. C. Hargrove,
Millers, Takeley, Essex.

Northolt

From Mr. J. Arnold

Sir,—It has always puzzled me that nobody, in the prolonged debate over London's airport facilities, has ever mentioned Northolt, which, with completion of the Western Avenue improvements, will have excellent road links to central London.

While it may be unsuitable for conversion to a fully-fledged international airport it surely provides much the cheapest and most readily available solution to the problem of Heathrow's inadequate capacity. It seems to me to be a particularly appropriate terminal for all domestic and Republic of Ireland flights.

The aircraft used on these short-haul flights are of the kind one commonly sees landing at Northolt. Most passengers on these flights, I imagane, are either originating or terminating their journeys in London; and for those who are not, Heathrow is a mere six or seven miles away.

Finally the argument that simultaneous military and civilian use of the airport would present insuperable problems cannot really be sustained in the light of the successful use of Frankfurt as the principal base of the USAF and Germany's premier airport.

Jeremy Arnold.
The Butts, Cherington,
Nr. Shipston-on-Stour,
Warwickshire.

Planning

From the Vice-Chairman,
North West Essex and East Herts Preservation Association

Sir,—Under your heading, "a quiet airport" Dr. Wallace (October 2) suggests that quiet aircraft would solve our problems. Unfortunately, while noise is still a problem to be reckoned with its importance has, for two reasons, diminished to some extent over the 15 years or so that we have spent under this blight.

There has been such universal and international outcry against the affront that so many on the ground have had to suffer for the transient joy of so few in the air and something is at last being done to phase out the more offensive monsters and to impose some design restraints on the new machines. It will be many years before we have "quiet" aircraft, but at least they will be quieter and while the move, however slow, is in that direction we shall lose some credibility if we oppose on grounds of noise alone.

Strong as they are, objections on grounds of noise have been eclipsed by those on regional planning. Development on the scale currently envisaged would necessarily bring in its train the building of housing and all the supportive services in an area that is busily and effectively engaged in agricultural production and from where we can least afford to lose the land. Such a development would completely overturn the planning concept for the South East. Both Essex and Hertfordshire County Councils have over the last decade been engaged in fitting their structure plans into this broad strategy. At very considerable expense, of both finance and intellectual effort, they have been taking evidence from all other levels of local authority, amenity societies and from private individuals and testing this against national interests and those of commerce and industry. It is no accident that they have come up with a policy of low growth for the Harlow, Sawbridgeworth, Bishops Stortford corridor where unemployment is lower than national average and for major growth in the S.E. of Essex where that figure is equally above the average.

So far as the excellent runway is concerned, the latest proposition (not of course necessarily the last one) involves the building of a second runway which necessitates the re-alignment of the present one! As for the three lane motorway, this was designed to relieve the "A" roads of commercial and domestic traffic into East Anglia and as an alternative to the previously conceived Norwich radial route. If, after the section to Stumps Cross is completed and the designed load develops we add to it the traffic to service 50m passenger movements per annum to an airport and all the secondary support that would be needed all that we should succeed in doing would be to bring the present "snarl up" from Leytonstone, a few miles farther north.

Richard Miles,
Spellbrook Farm,
Nr. Bishop's Stortford,
Hertfordshire.

The economics of death in the afternoon

BY ROBERT GRAHAM IN MADRID

TO MOUNT a good bullfight now costs up to £100,000. Bull fighting is one of the more expensive of the world's regularly arranged spectacles. Yet despite this, the business side of bullfighting remains largely a curious mixture of archaic commercialism and genuine amateurism, with a good bit of old-fashioned sharp practice thrown in. By general consensus more people lose money than gain it—and this applies to promoters, bull breeders and bull fighters.

"This is not a business, it is pure madness," says Sr. Antonio Martorell, manager of Madrid's major bullring. "For the promoters it is a question of vanity. Vanity is more important than profit." Bull fighting is a highly particular world and the majority of those mixed up in it share a passion for bulls and the fight which goes beyond pure commercial considerations. They feel they are sharing in a *rite which reflects a set of* values on life and death. Appropriately the safe in Sr. Martorell's office is concealed behind a huge photograph of a bull.

The overall cost of a bullfight hinges on three principal factors—the ownership of the bullring and the rental paid, the price of the bulls; and the fee offered to bullfighters. In Spain the majority of bullrings are owned by municipalities or county councils and rented out to impresarios on a concession basis.

Three impresarios now dominate the bullfighting scene, controlling virtually all the major bullrings in Spain. Sr. Diodoro Canorea runs a group which holds the concessions for the bullrings of Albacete, Guadalajara, Madrid and Seville. The Chopera brothers run Bilbao and most of the bigger sized rings in the Basque country and northern Spain, including Pamplona. While along the Mediterranean coast and its key holiday resorts the Balana family predominates, also owning the ring in Barcelona.

Since, in some cases, the impresarios also run a stable of bullfighters, many are critical of what they describe as a monopolistic business. Indeed, when El Cordobes began to become famous and his terms were rejected by the big impresarios he fought one whole season in small towns, often with portable rings. Having attracted packed audiences he was able to make his point and ensure that at least the most popular fighters could dictate terms.

Concessions are usually rented on a five-year basis, before they are put up for auction again. Last year Sr. Canorea paid the highest price ever in an auction. He agreed to pay the Madrid County Council £1.2m a year, three times the previous rate. This was considered an extremely speculative bid since there are limits to the number of *corridas* that can be held in any one year. The maximum is around 60 between mid May and early October. There is no real budgeting since the impresario cannot be absolutely certain of assembling the right fighter and bulls. There is also a limit to the price that can be charged for seats. Seat prices range from 60p to over £19. (In Madrid, which has a 24,000-seat capacity, there are 31 different categories of seat, depending on location.)

Balance

With a general increase in the rents paid for rings, the promoters therefore have to maintain a delicate balance between holding down costs and not alienating the public through poor fights and high prices. However, it has become a growing source of concern among aficionados that the *public is being made to suffer.* There have been frequent complaints of low quality bulls—small and lacking in aggression—which some bullfighters prefer as they are less dangerous.

Each *corrida* contains six bulls and these represent approximately 17 per cent of the total cost. The percentage goes higher if the impresario buys in a bull that is found unfit by official inspectors (responsible to the Ministry of Interior, which still curiously controls all bullfighting jurisdiction). A top-rate bull can fetch £2,800. The average price paid is nearer to £2,000. On this the impresario can recoup up to 10 per cent through the sale of meat and the carcass (the bulls weigh up to 500 kilos). At present there is only one ranch—the Vitorino ranch—that produces bulls that can dictate prices. These are bulls which appeal to the public because they look so big and intimidating.

"Of course the bulls are expensive. Imagine horse racing where the horses were killed after the race," says Sr. Jose Luis Lozano, who acts as manager for El Cordobes and whose family has strong ties with bull fighting. This graphic analogy stresses that the bull is a thoroughbred. The price for which it is sold to the bullring does not represent true cost. "Over 90 per cent of the bull breeders in Spain are millionaires, who do it out of *aficion* (addiction, love) and a certain snobbery," says Juan Sanchez Fabre who has just taken over the running of his family's ranch near Salamanca, that produces a smallish but highly combatitive bull. A look down the list of main breeders reveals a high proportion of large landowners in Andalucia with the Domecq sherry family prominent. Often it is the mark of the wealth of a landowner that he can afford to breed fighting bulls.

The average fighting bull requires two hectares of land to feed off and roam in. Unlike rearing for meat, when the animal is killed at one year old, the breeder has to sustain the animal for four years — with the consequent risk of loss through infirmity (much higher among thoroughbreds). For every 40 bulls bred, at least ten are eliminated as unsuitable for fighting or through infirmity. In the south it is cheaper to keep bulls because the weather is warmer.

The bull fighters and their various assistants account for 75 per cent of the total cost of a corrida. As a group the matadors are now relatively well organised but are, with few exceptions, dependent upon the *impresarios. A middle* ranking bull-fighter is this year earning between £3,400 and £4,800 per performance which means fighting two bulls in one afternoon. Throughout the season a matador will take part in about 60 corridas. The star performers — and there are no more than three at the moment —can ask as much as £26,000 for a big fight, according to Sr. Martorell. The better bull fighters now tend to opt for a percentage of the gate, which can vary between 10 and 30 per cent of takings, rather than a flat fee.

The exception to all rules is 43-year-old El Cordobes, who returned this summer to the ring after a seven-year self-imposed retirement. Those that know him well, like his manager Sr. Luzano, insist money had nothing to do with his decision. He simply missed the ring and the appeal of being a star. He takes a percentage of the gate, and is reportedly averaging £27,500 per fight.

This season he is due to have fought 42 fights in Spain before moving to Latin America for the winter. His Spanish earnings will be around £1.2m. However, bullfighters make much less than imagined because they have formidable overheads. They have to pay, for instance, their two picadors (mounted men who goad the bull's neck with a lance) and three men who plant the banderillas (barbed darts). This, according to Sr. Luzano, absorbs up to 40 per cent of a matador's earnings. Meanwhile, the matador has an expensive wardrobe, which can be used no more than three or four times. Each costume of El Cordobes costs about £650.

This year at the Madrid bullring there has been a drop in the gate of some 20 per cent, according to Sr. Martorell. Partly this is due to fewer tourists and less people being able to afford the cost of a seat. Critics also attribute this to the quality of the spectacle, which they say has been buoyed up for too long on an undiscerning once-off tourist market. The reduced turn-out is in part compensated for by a shift from cheaper to more expensive seats. The less desired "sun" seats are now frequently untouched.

There is little commercial spin off for the impresarios from bull-fighting. Bull rings do not adapt easily to billboard product advertising as it distracts both bull and fighter. On television bull fighting has a half-hour programme per week, a tenth of the time for football. Companies are not very interested in this as a medium to promote goods because not many people watch the programmes which are usually in the afternoon or early evening. Thus impresarios of rings in the major cities are left with a high rental and what is in effect a huge amphitheatre wholly under-used.

This is where Sr. Canorea saw the opportunity. It explains why he was willing to pay what in pure bullfighting terms was considered an unacceptably high price for the rental. "Just staging bullfights he can never make money on this rental," says Sr. Martorell. Branching out he has staged several pop concerts and at the end of August a folk show.

Land problem

This is obviously a pointer to the future, providing one way for the impresario to cover himself financially yet keep down corrida costs. It is questionable, however, whether the "gentleman farmer" attitude of the breeders will continue indefinitely. In Andalucia for instance land used by fighting bulls is far more profitably devoted to cotton. Already there is evidence of bulls being confined to smaller areas—a curb said to lessen strength and combativity.

Another assumption which cannot go unchallenged indefinitely is that the supply of matadors, especially good ones, will always exceed demand. Matadors have traditionally come from poor backgrounds, usually in southern Spain—suggesting a direct link between poverty and the hope of achieving fame and fortune through the ring. As Spain becomes more prosperous the attractions of risking one's life in the bullring tend to diminish. Football players earn more money and have greater social standing now.

The growing "softness" of the bullfighters, amid talk of bulls with blunted horns or being doctored, lessens the chance of a good spectacle. Bull fighting is certainly not dying but it needs a shot in the arm to sustain its popular appeal and it is hard to see where this will come from. But one thing it need not fear is the protest of any anti-blood sports lobby in Spain. I give the last word to Sr. Martorell: "If a bull were offered the choice between being unceremoniously butchered at one year in a slaughterhouse, and living like a king for four years dying, gloriously in the ring, I'm sure he would prefer the latter."

Weekend Brief

The mystery of how James Bond was made to change his Champagne is solved . . . Singapore tries to find a word for it . . . California loses the smog war.

Mr. Bond's fizzy tastes

The superficial elegant calm of France's Champagne Houses, and London's Champagne-drinking houses, is being disturbed by a bit of bubbly public relations which is already having a substantial subliminal effect on trend-followers if not trend-setters. Doing the boat-rocking is that noble house of Bollinger, and the target has been deadly rival Dom Perignon. Bollinger's great coup has been the conversion of James Bond away from Dom Perignon to their own distinguished product, a brand switch which owes more to the secret service world of marketing than to 007's taste buds.

It was Mr. Bond, by expressing a preference for the precious Perignon, who started the rush in the first place. No sooner had he gone on record, by way of the silver screen, as being particularly partial to Dom Perignon than every Tom Dick and Harry was insisting on it by name. The result is the current Perignon famine.

The scheme to promote Bollinger instead of Dom Perignon as Bond's favourite brand of bubbly in the latest 007 epic "Moonraker," was the inspiration of Derek Coyte, managing director of the company which handles the merchandising and publicity for the Bond films.

"I went to Bollinger with a back to back deal," confides Coyte. "In return for mentioning and using Bollinger in "Moonraker" they would supply up with Bollinger for all the press and publicity parties that we were going to be holding for the launch of the film—you know how journalists and TV people get through Champagne. I thought it was an arrangement that would be mutually beneficial and it certainly has been."

That the Bond recommenda*tion has boosted* Bollinger's already strong appeal to British bon vivants is now evident, according to Victor Lownes, chief executive of the Playboy Club in Park Lane, a favourite haunt of would-be Bonds.

"A year ago all our punters were coming in and asking for Dom Perignon because it was Bond's drink. Now they're all asking for Bollinger by name—its amazing how the demand has increased. I can only assume its because of Moonraker. Personally I'm delighted—like everyone else we were finding it hard to stay within our Dom Perignon quota."

But Antony Leschallas, managing director of Mentzendorff, Bollinger's agents in the UK, and the man who did the deal with Derek Coyte is not so happy about the Bollinger bubbly boom.

"Really it couldn't have come at a worse time," he said despondently. "Demand is far greater than supply, we already have all our stockists on quota. We just can't get enough. I know all publicity is good publicity but we were short of wine even before the film opened. And I really don't know when the supply situation is likely to improve. This year is going to be a very good vintage but you have to remember that the champagne process takes five years to complete."

Even Dom Perignon need not be over perturbed. In most of the world's drinking centres there is a desperate shortage of the stuff. Even at that bastion of Dom P., Regines, rumour has it that occasional supplies have to be bought retail because the normal trade allocation has run out.

Ashley Ashwood

Bollinger chief Christian Bizot: ways of persuading Mr. Bond

Something in the air

Squinting and gasping through the mustard-coloured pall of chemicals that has hung over Los Angeles for most of this summer, Californians heard on their car radios last week the official word: after investing 20 years and $1bn in the fight for cleaner air, they are losing the war on smog.

It has been the worst smog season—June to September—in seven, perhaps ten, years. The 10m people living in the vast Los Angeles basin could see and smell that for themselves. What they want to know from the Southern *California Air Quality* Management District (AQMD), the agency directing the battle, is why. The answers are not simple.

"The automobile remains the chief culprit," says an AQMD spokesman. "Yet with the petrol shortage and stringent steps we've taken to curb exhaust pollution, things were supposed to be getting better and better." Instead, for the past two years, the killer smog has grown worse. Predictions made five years ago that by 1985 LA would have cleaner air than most major U.S. cities now seem laughable. Chances are dim indeed that this sprawling metropolis will meet 1982 federal standards for air purity.

LA's failure to cope with pollution that causes or contributes to thousands of deaths each year bodes ill for the rest of the U.S. They've been fighting it longer here than anywhere, and spending more on research. But the controls are not working. So Californian officials are appealing to Washington for help.

"We just cannot handle it any more," says an AQMD spokesman. "An all-new national policy to handle car-exhaust fumes is needed." President Carter is being urged by AQMD chiefs to appoint a panel of leading scientists from outside government to study the problem.

Whatever new solutions this "blue ribbon" panel might suggest are destined to meet fierce opposition, should they tend to part the Californian from his car. In this automobile-addicted state (16 million vehicles for 22 million people), legislators — including the environmentally-minded Governor Jerry Brown—are reluctant to annoy their hard-driving constituents with tougher anti-smog laws. And current regulations are constantly being undermined by motorists.

Reports from new state-run testing stations show that about half the cars on California's roads have burnt-out control devices or out-of-tune engines. A year ago, AQMD experts blamed the car for about half of LA's smog. Now AQMD director Jeb Stuart says that vehicles may in fact account for as much as three-fourths.

How to reduce that volume? One way is by annual inspections of engines and catalytic converters. But when, last month, a bill to establish an annual check-up programme was introduced, it was speedily killed by the State Senate. Garage owners, drivers and the automobile clubs that represent them all opposed it. The politicians, as always, took the hint.

In rejecting inspections, the legislature in effect aligned California with the growing national movement to lower clear-air standards. It also forced the state into a confrontation with Congress over the federal Clean Air Act, which requires states to devise annual check-up programmes. Failure to comply with the Act, which went into force last July 1, would give federal agencies powers to prevent states from building new plants and factories.

What if the nation's biggest state defied the law? Many Californian lawmakers—and lobbyists—predicted that the Carter Administration would back down from sanctions.

But the Environmental Protection Agency (EPA) sprang into action even before the State Senate turned its thumb down on inspections. California had missed the deadline for starting up such a programme by two months, said the EPA: the state would therefore be denied any further EPA permits to build or expand plants which the agency considered "major sources of air pollution."

That effectively halted all new industrial construction in California. What was more, said EPA chief Douglas Costle, he was considering cutting off billions of federal dollars in highway and fewer funds. "The California legislature," warned Costle, "needs to know we're serious about this."

State lawmakers are now trying to wriggle around the ban, proposing costly studies on "the best inspection system" and pleading for mercy until the end of the 1980 legislative session. A year's extension is needed, they claim, "to devise and implement a programme." So far, the EPA has stood firm.

California has made an effort to comply with other parts of the Clean Air Act. But it has made little difference in this eye-stinging, scorching smog season. A controversial emergency plan was put into operation on some of the worst summer days: more than 1,200 big factories were told to cut back operations by 20 per cent; and around 3,000 firms with more than 100 employees were required to organise car pools—some even roped off their parking lots to bar drivers not in car pools.

"So what happened?" complained one company director. "Employees took the day off and went to the beach, creating more smog."

The way that you say it

Singapore is in the throes of yet another domestic campaign to mould its people into model citizens. After the successful birth control campaign, which brought the birth rate down from an average of four children per family to two, and the anti-litter drive which turned Singapore into possibly the cleanest city in the world, Prime Minister Lee Kuan Yew earlier this month turned his attention to the delicate question of language. He told Singaporeans of Chinese descent—who make up 76 per cent of the total population—to stop using their traditional dialects and switch instead to Mandarin, one of the republic's four official languages.

At present the Chinese population is divided into 12 dialect groups although 80 per cent speak one of three main languages — Hokkien, Teochew and Cantonese. Lee's own ethnic group — the Hakka—comprises 7 per cent of Chinese in Singapore. A survey carried out by the Government on languages used in buses, markets and food centres revealed that despite two generations of Mandarin instruction in Singapore's Chinese schools, the language is little used by ordinary people. Even some Malay and Indian bus passengers were found to speak Hokkien to their Chinese conductors rather than Malay—Singapore's *lingua franca*—English or Mandarin.

According to Mr. Lee the tenacity with which Chinese are clinging to their native dialects places an intolerable burden on the country's schoolchildren who find themselves having to learn three languages: English, Mandarin and Chinese dialect.

It also adds to the danger that English—already understood by more than half the public's population—will be used as a medium of communication between different Chinese language groups and the use of Mandarin will die out altogether.

A further implication being read into Lee's remarks by some observers here is that the adoption of Mandarin—the standard spoken Chinese language — will facilitate closer trade and cultural ties with China. But Mr. Lee maintains his determination to ensure that his people think of themselves primarily as Singaporeans and not as overseas Chinese.

Typically the government is not content with mere verbal exhortations to the average Singaporean to change his habits. In future all Chinese taxi drivers, bus conductors and hawkers will have to pass an oral Mandarin test and to attend Mandarin classes if they fail it. All government officials—particularly those who deal with the Chinese public—will be instructed to use only Mandarin in their work. The sole exceptions will be for people more than 60 years old—although Lee joked that anyone who looks younger than 60 will also be expected to comply with the new language rule. Stickers have appeared all over Singapore to reinforce the message: "Speak more Mandarin and less dialect."

Contributors:
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Economic Diary

TODAY: Mr. Leonid Brezhnev, Soviet leader, makes foreign policy speech, East Berlin. Council of Europe Assembly, Strasbourg. New Zealand Prime Minister Mr. Robert Muldoon in Romania for trade talks.

TOMORROW: Japanese general election. German Democratic Republic's 30th anniversary.

MONDAY: National Economic Development Council monthly meeting, London. Zimbabwe constitutional conference resumes, London. Wholesale price index numbers (September—provisional). Personal income, expenditure and saving and company profits (second quarter). Housing starts and completions (August).

TUESDAY: Conservative Party conference opens, Blackpool. EEC Energy Council meets, Brussels. Provisional figures of vehicle production (September). Central Government transactions (including borrowing requirement) (September). London clearing banks' monthly statement (mid-September). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-September).

WEDNESDAY: International Monetary Fund gold auction, Washington. Index of industrial production for Wales (second quarter). TUC Economic Committee meets, London. Miners pay talks.

THURSDAY: Conference on Association of South East Asian Nations trade with China, Singapore. Confederation of Shipbuilding and Engineering Unions meeting, London.

FRIDAY: Mrs. Margaret Thatcher speaks at conclusion of Conservative Party conference, Blackpool. Balance of payments current account (September). Usable steel production (September). Finished steel consumption and stock changes (second quarter—final). Building societies receipts and loans (September).

UK COMPANY NEWS

CES profits fall £1.2m to £0.4m in first half

INCLUDING a £550,000 profit on property disposal, against £337,000 last time, taxable surplus of **Combined English Stores** came out well down at £401,000 for the 28 weeks ended August 11, 1979, compared with £1.69m. *Results also included associate* losses of £164,000, against £86,000 profit.

The directors, however, anticipate an increase in consumer spending later this month, as a result of tax repayments, and *they are confident the group will* be able to take full advantage of any improved conditions in the Christmas period.

Profits for 1978-79 advanced to a record £6.29m.

The net interim dividend is *effectively raised* to 1.49p (0.8575p) per 12½p share, and a final of 1.66p is forecast (adjusted 0.95275p).

Apart from the adverse effect *of the bad weather, Mr. Murray* Gordon, chairman, says the increase in VAT had a much more severe impact on trade, particularly on the men's wear and ladies' wear sales and margins, than anticipated.

Combined *English operates* some 650 shops in the UK, West Germany and Holland, including the Salisburys fashion accessories and Harry Fenton *menswear chains.*

	28 weeks	
	1979	1978
	£000	£000
Sales*	40,637	34,180
Profit	565	1,603
Associate's loss	164	186
Profit before tax	401	1,689
Tax	75	676
Profit after tax	326	1,013
Extraord. debit	—	357
From reserves	408	390
Making	734	349
Preference divs.	8	8
Ordinary divs.	726	341

* Exclude VAT. † Profit.

● comment

The showing from Combined English Stores is extremely disappointing. When profits from the group's property disposals are stripped out, UK trading *profits have all but vanished*, sinking from £1.3m to a mere £10,000. The main reason appears to have been a drastic drop in the group's big clothing concerns —Harry Fenton (menswear) and Kendalls (ladieswear). Harsh winter weather and the VAT hike have also contributed to the poor performance. The bad news in the UK is compounded by the fact that the group's continental interests have slumped into loss. The market reacted by sending *the shares* down 11p to 45p yesterday—well below the 52½p ruling at the time of June's £4m rights issue. The prospective yield is 10 per cent. The 1979 dividend should cost approximately £1.5m and given the usual *seasonal bias of the business* (in favour of Christmas), the company should have no problem covering this.

J. Finlan returns to dividends

A JUMP in pre-tax profits from £20,866 to £141,582 is reported *by John Finlan for the first half* of 1979 and the directors have resumed dividends after a five-year absence, with an interim payment of 1p per share.

Turnover of the group, designer and constructor of *industrial and commercial buildings* and industrial land developer, rose from £974,744 to £2.31m.

In April, the board said it was considering a dividend payment for 1979 and were confidently *expecting the year's profit would* exceed the £180,150 for 1978—*for the previous year a loss of* £92,105 was incurred.

First half tax charge is £73,622 (£10,850) giving earnings per share of 3.27p against 0.34p.

Demand for accommodation at the group's site at Middleton *continues at a high level, the* directors add.

RUO ESTATES

After a substantial profits fall **Ruo Estates Holdings** is not paying an interim dividend, compared with 2p last time.

The group blames the lower profits on a reduction of crops, mainly due to the weather and a consequent rise in production costs, and a general fall in tea prices.

Grimshawe ahead at four months

FURTHER PROGRESS by **Grimshawe Holdings**, the industrial group which returned to the dividend list after six years, was reported by Mr. Thomas Kenny, chairman, at the annual general meeting.

For the first four months of the current year sales and profits were ahead of the previous year, he stated.

The chairman emphasised he was not making any forecast, but he added: "Having rejoined the *dividend list it may be taken* as an expression of our confidence for the immediate future."

On expansion possibilities, he said it was probable that before the next *AGM*, the group *should* make an acquisition; growth was likely to be in the manufacturing, leisure and service sectors, he added.

Triplevest advances

PRE-TAX revenue of **Triplevest** advanced from £906,753 to £1.14m in the half year to *August 31, 1979. Gross income* rose from £1.05m to £1.3m.

After tax of £377,977 (£320,433) net income came out ahead from £566,320 to £762,240. Net asset value per share is shown up from 352½p to 355¾p.

The net *interim dividend per* 50p share is being raised from 2.443p to 3.176p and there is a special distribution of 0.9401p from the company's holding of Shell Transport and Trading.

Last year's total payment from pre-tax revenue of £1.67m was 4.941p.

Stylo Shoes midterm loss rises to £0.7m

FOR THE half year ended July 28, 1979, **Stylo Shoes** incurred a much higher loss of £717,257, against £249,816. Sales expanded from £10.88m to £12.63m.

And autumn trade has started very slowly, the directors state.

For the whole of the 1978/79 year a record profit of £1.1m (£964,000) was achieved.

Deficit for the first half includes a £4,596 *profit on fixed assets disposal*, compared with a £10,304 loss.

The directors say that the VAT increase cost the company some *£200,000* as pre-VAT prices were maintained in the hope of improving turnover beyond budget figures.

Margins have been eroded by the increased cost of many lines, which the company has not been *able to pass on to the consumer.*

However, a large and intensive programme of improving the layout and displays of all branches has started, and initial reports are that this will increase turnover.

The directors believe a *new* price policy, together with a considerable pruning of overheads by closing the distribution centre at Northampton and consolidating *administration and distribution* at Apperley Bridge, will improve the profitability of retail trading companies.

No provision has been made in the interim figures for the costs of the impending move.

● comment

The shares in Stylo Shoes have risen by more than 100p since *last July's rights issue, and yet* yesterday's announcement of totally unheralded losses did not even cause a tremour in the price. The reason is that the market is rife with rumours that someone will make a bid. The bald balance sheet *figures show* net assets of 190p a share but *outside estimates* put the real worth at well over 400p. There are attractions for a multiple retailer, but first the Ziff family, which controls the votes, would need to be convinced that they would be better off with cash than trying to turn the company round. The latest loss has been mainly caused by stock write-downs having got the fashion game wrong. The second *half will remain poor though* Stylo is retrenching. The forecast dividend yields 1.7 per cent at 245p—scant support if a bid does not come.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Averys	int.	4§	Dec. 3	2.15	—	8.85
Change Wares	int.	0.3	Nov. 30	0.2	—	0.4
CES	int.	1.49	Nov. 26	0.86*	—‡	1.81*
John Finlan	int.	1	Nov. 30	Nil	—	Nil
Arthur Henriques	int.	0.6	—	0.39	—	1.94
Firmin and Sons	int.	1	Oct. 19	0.7*	—	2.08*
Scottish TV	int.	1.22	Nov. 29	1.22	—	2.63
Southampton Steam	int.	4	Nov. 23	3.5	—	11.25
Triplevest	§int.	3.18	Oct. 31	2.44	—	4.94

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Final of 1.66p forecast. § Plus special Shell Transport and Trading distribution of 0.9401p. ¶ To reduce disparity.

Tanks falls in first six months

Tanks Consolidated Investments, the mining and industrial group, is maintaining its interim dividend at 4p. *Last year shareholders received a total of 10p.*

Net profits for the six months to June 30 were £217,869, compared with £484,040 in the same period of 1978, the group announced yesterday. The profits do not include a contribution from Union Miniere, the Belgian *minerals group in which Tanks* has a 17.6 per cent stake. This source of dividend income comes in the second half.

Major causes of the reduction in profits were lower earnings at Elbar Industrial, which is 59.4 per cent owned, exchange losses of £115,567 and a rise in exploration costs to £251,021 from £104,426.

The shares were down 1p at 190p yesterday.

Hawtin increase at mid-way

PROFITS before tax of **Hawtin**, maker and distributor of protective clothing and safety equipment, rose from £440,000 to £598,000 in the half year ended July 31, 1979, on higher turnover of £5.3m compared *with £3.69m.*

However, the directors consider it *premature to return to the* policy of paying interim dividends. Last year the group resumed dividend payments with a single 0.25p.

Figures for the first half this year include Estchem Wholesale Supplies and Lexmain.

Profit is struck after interest of £40,000 against £26,000 but before tax of £246,000 (£180,000) and minorities, £3,000 (£2,000). Earnings per share, *before extraordinary items, are stated as 0.99p compared with 0.73p.*

BIDS AND DEALS

Averys can do without GEC

A STRONG defence against the bid from General Electric Company was *issued yesterday* by Averys, the weighing and measuring group, which unveiled interim profits up from £6.1m to £7.2m pre-tax. The interim dividend is being raised from 2.152p to 4p to restore a more normal relationship with the final.

The figures accompany a powerful *letter to shareholders* in which Averys and its advisers, J. Henry Schroder Wagg, say "GEC do not need us and Averys certainly does not need them."

Mr. Richard Hale, Averys' chairman, says in the first half good progress was made despite the road haulage dispute and the *adverse effect of a strong pound*, but margins are currently under strain and the effect of the engineering strikes makes it impossible to forecast full-year figures.

Nevertheless, although second-half figures can be expected to be hit by the strikes, the board *is still confident of Averys* ability to prosper and grow.

Mr. Hale says categorically that it can do this without GEC's help thanks to the strength of the *balance sheet and low gearing.*

With sound historic earnings and good prospects Averys is worth considerably more than GEC is offering, Mr. Hale emphasises.

Furthermore, the one specific area into which GEC intends to introduce Averys — automated *office and business systems*—is strictly irrelevant as there will be little scope for weighing equipment in modern office systems, Averys claim.

It also denies that it needs to join a major electronic group *for its expertise in applying* electronics to its equipment. Averys is already a world technological leader in the application of electronics and has more than sufficient funds to finance further expansion.

In *the market yesterday* Averys' shares dropped by 1p to 252p where they compare with the 245p per share offer from GEC.

	Half year	
	1979	†1978
	£000	£000
Turnover	56,225	49,604
Trading profit	7,734	5,502
Interest payable	403	18
Investment income	101	137
Assocs.	292	484
Profit before tax	7,171	6,105
Taxation	1,400	1,096
Attributable	5,771	5,012
Interim dividend	1,476	794

†Restated as if Nigerian and Indian companies had been associates throughout that period.

See Lex

Fairbairn may get injection

An unnamed group of investors is considering injecting a substantial capital sum into **Fairbairn Lawson**.

The troubled engineering company, which requested the suspension of its shares earlier this week, announced yesterday that discussions were taking place and that the outcome *should be known within a* month.

The directors said that such an injection was most important in order to stabilise the overall *future of the group*, particularly because of the impact of the recent engineers strike.

Until the outcome was known, they had requested the Stock Exchange to continue the suspension of the listing. The directors also said it was *inappropriate to finalise and* release the 1978 annual *accounts.*

Last month the company said that an estimated loss of £162,000 revised following discrepancies for 1978 would have to be in the accounts of its Greenhat subsidiary.

Change Wares up to £0.33m and raises interim by 50%

A profits improvement and a 50 per cent dividend increase is announced by **Change Wares** for the first half of 1979.

On turnover ahead from *£7.73m to £9.87m taxable profits* advanced from £280,000 to £326,000. Last year the surplus totalled £615,000.

As forecast at the time of the rights issue the interim dividend is being lifted from 0.2p net to *0.3p*. Stated earnings per *10p* share are 1.16p (1.53p). The *total payment last year was 0.4p*

There is no tax, and after dividends the retained profit is up £5,000 at £203,000.

The group, which in April forecast a year of expansion, makes wiremesh shelving and wire-based *components* and is a steel stockholder.

● comment

Profits at Change Wares have increased by 16 per cent in the first six months and the group is now talking of a 25 per cent volume improvement on the wire shelving side and believes that the stockholding division can *make up the turnover shortfall* which stemmed from the engineering dispute. But, at 13½p, the shares have achieved little more than penny stock status and yield 6.5 per cent if the rate of interim dividend increase is extended to the final. That suggests that the reurn on the participating preferred shares would be 12.4 per cent at 21p. *No tax should be* payable this year, but earnings have been diluted by the last rights issue and a further 1.3m shares are still payable under the Stockwell acquisition agreement.

African Lakes

Pre-tax profits of **African Lakes Corporation**, tea, rubber, etc., concern, rose from £443,576 to *£567,290* for the six months ended January 31, 1979, on turnover *ahead to £4.63m, against* £3.27m.

The directors say trading activities have risen in the second half, but with a reduced crop and lower prices, tea receipts are down.

Overall, they anticipate that profits for the full year could well be less than for the previous year. Pre-tax profits for 1977-78 were *little changed* at £1.24m (£1.25m).

Pre-tax figure for the first half was struck after interest of £780,417 (£819,371) and depreciation £213,127, compared with £175,795, and was subject to tax, up from £170,152 to £235,403.

After minorities the attributable balance emerged at *£238,712, against £326,128.*

Good year expected by A. Henriques

From increased turnover of £2.54m against £1.6m, profits before tax of **Arthur Henriques**, clothing maker of Manchester, *rose 50 per cent from £114,867* to £172,838 in the first half of 1979.

Subject to demand remaining at present levels, Mr. A. Gold, chairman, *is* confident that the figures will be similar in the *second six months.*

The interim has been raised from 0.395p to 0.6p and a similar increase in the final is expected. The total last year was 1.943p from pre-tax profits of £216,000.

After tax of £89,036 (£66,381) *net profit for the first half was* £83,802 against £48,486. The dividend absorbs £12,000 (£3,606) and £71,802 compared with £44,880 is retained.

Thermo-Skyships again tries to take-off with public support

A FRESH attempt to raise several million pounds from the public to help finance a project to manufacture airships in the UK is about to be launched by **Thermo-Skyships**.

Last June the company issued a prospectus to try to raise £8.4m in two stages to meet the *costs of building a prototype airship.* However, even though *European Ferries*, which has been backing the project for the past year, agreed to subscribe for 35 to 60 per cent of the issue, only £368,000 was put up by the public, and the scheme failed.

A second prospectus will be issued later this month. Although no details have been disclosed it is expected that Thermo-Skyships will be looking for around £4m *from* private and institutional investors.

A second stockbroker has been brought in for the launch of this issue. The London firm of Laing and Cruickshank, which handled the first, unsuccessful issue, has been joined by the Manchester firm of John Siddall and Son.

Thermo-Skyships' ambitions have grown considerably since last summer's attempt to raise money. A new technical director has been appointed and the project has been expanded to build a manufacturing plant and a complete pre-production craft.

The company ultimately wants finance amounting to £24m. The detailed design stage could cost £4m, production facilities £8m and producing the craft a further £12m. *This expenditure could be* spread over 2½ years.

A director of Thermo-Skyships, Mr. Edward Potter, said yesterday the Government would be asked to help fund the development. But, while the company intends to keep the project in the the UK there is a possibility that production *might* be moved overseas — possibly Belgium — if Government assistance is unavailable.

The company wants to manufacture the airships in Shotton. Initially, this would provide jobs for 300 people, rising to 500 after five years if the company is successful.

The directors are confident that investors will be attracted to the issue because the prospectus will give far more detail about the project. Since last summer's issue, which Mr. Potter admits "with hindsight was premature," Thermo-Skyships has the findings from £400,000 expenditure on *technical* development. This has been funded by *European Ferries.*

Finally, £4m would take development to the stage where the company would have a detailed design which could be sold under licence even if it never took on production.

Walter Duncan rights issue to raise £2.5m

SHAREHOLDERS of **Walter Duncan and Goodricke**, tea merchant and banker, are being asked for £2.5m through a rights issue on the basis of two-for-five.

A total of 500,000 new ordinary shares are being offered at 500p per share. This is a discount of 23 per cent on yesterday's price of 650p.

The proceeds will be used to double the share capital of Duncan *Lawrie*, the *banking subsidiary*, to £2m, finance the acquisition and refurbishment of new leasehold offices in London, and provide additional working capital.

The directors forecast a dividend of 12p *net per £1 share* on the increased capital for the current year, giving a prospective ex-rights yield of 2.8 per cent.

Certain companies associated with the company, including Lawrie Plantation Holdings (LPH), have irrevocably undertaken to take up 286,122 new shares provisionally allotted to them.

LPH, which owns 37.28 per cent of Duncan, has underwritten the balance.

Certain other holders have irrevocably agreed to take up their entitlement to 99,735 new shares. If no other holder were to take up their rights, LPH would own 49.5 per cent of Duncan's enlarged capital.

Duncan's turnover for the first half of 1979 totalled £2.9m *excluding the banking subsidiaries*, compared with £4.18m calculated on a time apportionment basis on actual results for 1978. The directors point out that due to the seasonal nature of the activities of some subsidiaries, the figures are not directly comparable.

Profit was £0.22m (£0.28m) before tax of £57,000 (£97,000). Stated earnings are 12.88p *(15.28p). The figures do not in*clude the results of Duncan Lawrie (profits £53,000, against £47,000) and Sterling Industrial Securities (£76,000 loss, against £33,000 loss).

Rightwise turns in £268,000

A taxable profit of £268,000 is reported by **Rightwise** in its first *published accounts*, for the *nine* months to December 31, 1978. But after an extraordinary debit, largely made up of an exchange loss, there is an attributable *deficit of £201,000.*

As forecast there is no dividend.

In July, 1978, the company merged with Deundi Holdings, *Gadek Indonesia* and Arbour Court Investments and obtained a listing in the September. It has since made a successful offer for Noyapara Tea.

Turnover for the period was £1.51m. Tax takes £158,000. *After deducting extraordinary* items of £334,000 and pre-acquisition profits of £28,000, and a minority credit of £51,000 there is an attributable loss of £201,000.

The directors say that a net loss of £284,000 arose in November, 1978, because of the *Indonesian Rupiah's* devaluation. This has been included as an extraordinary item.

English Card hits out at Carclo's £4.7m offer

English Card clothing is vigorously rejecting the £4.7m cash and cumulative redeemable preference share offer from **Carclo Engineering Group**.

In a *letter to shareholders*, English Card points out that the *price offered is only 6.1 times* historic earnings which compares with three recent recommended offers for engineering companies made at an average 11.1 times.

The defence contends that the offer ignores the real value of *the 57 per cent-owned Indian* subsidiary even though Carclo admits that it will have "an important role to play in the enlarged group."

Stressing again that the offer is "totally inadequate," English Card stresses that its margin amounted to 13.5 per cent pre-tax *profit return on turnover, against* Carclo's 9.2 per cent.

CHARLES HURST SUSPENDED

Charles Hurst, the Irish car and commercial vehicles repair group, has asked for its shares to be suspended pending an announcement. The suspension price was 85p which placed a value of £1.8m on the company.

HAWLEY BUYS GUY GAMES

CMFWYPw mw bmw mw mwm

Hawley Leisure has bought Guy Games which operates six sports shops.

The initial consideration will be the issue of *464,904* ordinary shares. Further payments of *£40,000* in cash *and £80,000*, at Hawley's option in shares or cash, will be paid in stages up to April 30 1981, subject to the attainment of a warranted pre-tax profit of £185,000 for the 23 months to December 31, 1980.

The middle market quotation of Hawley's ordinary shares at the close on October 3 was 42p. At that price, the initial sum is *£195,259* and the *maximum aggregate consideration £315,259.*

In the year to January 31, 1979, Games made a profit before tax of £40,788 on sales of £628,887. Net assets at that date were £151,114.

SUNLEY EAGLE STAR

Following the rise in its shares **Bernard Sunley Investment Trust** *stresses that talks with* Eagle Star and John Bernard Sunley *and family are at a preliminary* stage, pending completion of the property valuation and report from accountants commissioned following the initial announcement on August 1. The Board does not expect to announce *outcome of the discussions* for about four weeks.

RHM MERGER IN SOUTH AFRICA

Ranks Hovis McDougall is *negotiating to merge its South* African subsidiary, Cerebos Africa, with Food Corporation Pty, a subsidiary of South Atlantic Corporation.

Cerebos has sales of around R9m (£16.2m) and shareholders' *funds of R3.9m (£7m)*, and specialises in salt extraction. Food Corporation is a general food manufacturer with interests in cereals.

Discussions between the two companies which could result *in RHM retaining a smaller stake* in the combined group are expected to continue for some weeks.

Gibbons Dudley expects not less than £4.8m

THE OFFER document outlining *the details* of the agreed bid by **Steetley for Gibbons Dudley**, includes a *profit forecast from* Dudley of not less than £4.8m, a 17 per cent increase on last year. Steetley had earlier announced that it expects profits *of £22m this year*, an 8 per cent increase.

Mr. Roger Turner, *chairman* of Gibbons Dudley, tells shareholders that the offer should give them a substantial increase in income and is pitched in excess *of medium-term prospects* for the company's shares in the market if it were to remain independent.

Consequently the Board has agreed to accept the offer on behalf of their 5.6 per cent of the equity.

Steetley stresses that it intends *to maintain* and expand Dudley's business which is essentially complementary to its own as far as refractories and building products are concerned.

PORTALS EXPANDS IN EUROPE

The *directors of* **Houseman, Bergen Op Zoom**, and **Home Waterbehandeling**, Zoetermeer, Holland, have reached agreement on the acquisition of the Home shares by Houseman for Fl 3m (£750,000) in cash, payable over three years.

The activities of both companies are complementary to one another and the firms are to continue operating in their own markets.

Houseman is the Dutch subsidiary of *Portals* Water Treatment and a company of Portals Holdings of the UK.

Home Waterbehandeling designs, constructs and supplies and plants for water treatment. The major part of the business *is in the Dutch market, especially* in industry and in the public *sector.*

The object of the take-over of the Home shares is to safeguard the continuation of both businesses, allow optimium utilisation *of mutual know-how*, and enlarge the potential market. It is intended that Home *will also* commence activities in Belgium/Luxembourg and in West Germany. The combined market share will be in the region of *45 per cent.*

WARD WHITE ACQUISITION

Ward White Group, *the footwear* and engineering group, has agreed to acquire *Portland Shoes* for £1.67m.

The consideration will be partly cash and partly shares.

The 20,000 6 per cent (now 4.2 per cent) cumulative preference shares of Portland will be acquired for £20,000 cash and its ordinary shares will be acquired by *the issue of 1,337,454 new* ordinary Ward White shares and £470,288 cash.

Portland, a private company based in Leicester, is one of the largest manufacturers of ladies wide fitting comfort shoes *in the UK.* Its taxable profit for the year to October 31 1978 was £451,932. *The bok value of net* tangible assets at that date was £786,700.

ASSOCIATE DEAL

Rowe and Pitman, associates of **Gibbons Dudley**, has bought *for discretionary investment* clients 25,000 shares at 151p.

Results due next week

When **Standard Telephones and Cables** announces *interim* results next Friday, this will be the first time the company has done so since it went public. The group, a UK subsidiary of the American ITT corporation, has forecast that 1979 full-year *pre-tax earnings will not be less* than £32m, against £26.9m in 1978. This year's interim figures should be helped along by loss elimination on the cable and switching side and by an upturn in the group's telecommunications interests. The company, one of three major suppliers to the Post Office, is forecasting fully taxed earnings per share of 15.4p at the year-end.

It should come as no surprise that analysts are expecting a *significant improvement in pre-tax* earnings from **Consolidated Gold Fields** when preliminary year-end results are announced on Wednesday. A pre-tax figure of £95m is widely predicted, against £69.8m last year—this indicates earnings per share of about 32p, against 25p. The obvious reason for this improvement is that gold *prices have ben buoyant*, but loss elimination in the group's Australian operations has also been helpful. Australian tin mining interests seem to be healthy too. *Profits might have been still* higher were it not for the strength of sterling.

Analysts are not expecting any growth from **Glaxo Holdings** for the year ended June, 1979. The group's profits, due out on Monday, are *expected to be in the* region of £76m pre-tax, roughly £10m lower than the two previous years but slightly higher than 1975-76. This outlook is based on the view that margins have been further squeezed by higher interest charges, unfavourable currency movements and only a few price rises. Antibiotic sales are not expected to match the previous period's strong sales pattern when there was an influenza epidemic. A question mark hanks over what *the company will realise from its* gilts portfolio.

Against the background of a patchy spring and summer for department stores, **Debenhams** is *expected to turn in disappointing* first half profits. Most estimates put the profits figure at just under the previous comparable period's £5m pre-tax although one analyst is forecasting £6.5m. Although there was a *large boost to sales just after* the Budget, trade fell away very quickly after the VAT increases were introduced. Generally, sales of fashion goods have been slow. Borrowings are on an upward trend so the interest charge will have jumped. The figures will be announced on Thursday.

Another stores group, **Sears Holdings**, *is due to report its* first half figures on Tuesday. Unlike Debenhams, *analysts* expect a reasonable profits rise —from £31.9m to between £38m and £40m. The main boost will come from the footwear *interests* (nearly 60 per cent of profits), which has been benefiting from the lifting of monopoly constraints. Sears has long-term fixed borrowings and short-term cash, so the rise in interest rates should reduce net *financing charges. There will* also be gains *from the elimination* of lossmakers in North America and in the engineering division. However, the decline in the number of tourists will hit profits from the London stores.

Other results to note are from Lesney, *Bejam*, Associated Biscuits and Empire Stores.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Bejam Group	Tuesday	0.7	0.921	0.77
B.P.M. Holdings	Wednesday	0.8125	2.38375	1.0625
Consolidated Gold Fields	*Wednesday*	3.1910	*6.0005*	*3.5108*
Cradley Printing	Wednesday	—	1.1055	—
Epicure Holdings	Wednesday	—	0.33	0.33
Glaxo Holdings	Monday	4.5	6.9	5.0
Highland Electronics	Tuesday	—	1.19	—
Lake & Elliot	Wednesday	1.462	2.4467	1.928
Lowtex	Wednesday	1.5	1.723	1.65
Lockwoods Foods	Wednesday	—	4.11996	—
London & Strathclyde Trust	*Wednesday*	0.475	1.125	0.6
Lyles (S.)	Monday	2.0	2.9888	2.0
News International	Tuesday	2.225	2.74	3.0
Photo-Me International	Thursday	[illegible]	4.05	2.211
Scottish Metropolitan Property	Monday	0.81818	0.97532	0.9
Startrite Engineering Group	Monday	0.7	1.246	0.8
Stothert & Pitt	Tuesday	2.4	8.26	2.65
Turriff Corporation	Thursday	—	2.9085	—
Wombwell Foundry & Engineering	Wednesday	0.336	1.000	0.374
INTERIM DIVIDENDS				
Altifund	Wednesday	3.3	0.7	
Amalgamated Power Engineering	Tuesday	2.948	2.948	
Atlas Electric & General Trust	Thursday	0.75	1.5	
Ash & Lacy	*Wednesday*	3.0	3.8857	
Associated Biscuit Manufacturers	Tuesday	1.65	1.88	
Ayrshire Metal Products	Monday	1.7115	3.2885	
Bankers' Investment Trust	*Tuesday*	*1.59*	1.375	
Barr & Wallace Arnold Trust	Tuesday	0.666679	2.83333	
Bowthorpe Holdings	Tuesday	0.838	0.957	
Bronx Engineering Holdings	*Thursday*	0.44	1.3154	
Bruntons (Musselburgh)	Thursday	3.448	4.37644	
B.S.G. International	Thursday	0.91646	1.46464	
Cartwright (R.) Holdings	Wednesday	1.5	2.58081	
Channel Islands & Intnl. Inv. Trust	Wednesday			
Christies International	Wednesday	1.25	3.25	
Clive Discount Holdings	Wednesday	2.03	3.3017	
Debenhams	Thursday	1.77608	4.32443	
Edinburgh Investment Trust	Monday	0.85	1.1	
Ellis & Goldstein	Wednesday	0.968	1.1585‡	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Empire Stores (Bradford)	Wednesday	*2.06583*	*2.42372*	
England (J. E.) & Sons (Wellington)	Friday	[illegible]	1.02032	
External Investment Trust	Wednesday	2.75	2.85	
Farnell Electronics	Tuesday	1.0318	1.9162	
Fogarty (E.)	Wednesday	1.39303†	4.41952†	
Foster Brothers Clothing	Thursday	0.78314	1.71687	
Freemans (London S.W.9)	Monday	1.05	1.5195	
Glossop (W. & J.)	Friday	1.578	2.826	
Green's Economiser Group	Thursday	2.12	2.6152	
Higgs & Hill	Wednesday	2.1956	1.6373	
House of Lerose	Wednesday	1.83	2.5483	
Hunting Gibson	*Monday*	*0.1*	*5.0*	
Laing Properties	Wednesday	1.0‖	2.0	
Lesney Products	Tuesday	1.1792	2.0698	
Lilleshall	Wednesday	0.683	1.25	
London & Provincial Poster Group	Friday	3.342	8.66	
Maple & Co. (Hldgs.)	Monday			
Martin (Albert) Holdings	Monday	1.575	2.4522	
Martin Black	Thursday	1.0	1.0	
Menzies (John) (Holdings)	Wednesday	1.275	2.12	
Mersey Docks & Harbour	Monday			
Miller (Stanley) Holdings	Wednesday	0.5	0.7	
Mowlem (John)	*Thursday*	1.65	5.6083	
North (M. F.)	Tuesday	0.108	0.358	
Oceana Consolidated	Friday	—	0.7465	
Pickles (William)	Monday	0.2	0.2	
Reed Executive	Monday	0.9	2.45238	
Ruberoid	Tuesday	0.77	1.7131	
Sanderman (Geo. G.) & Sons	Friday	1.0	1.54	
Sears Holdings	Tuesday	0.5	0.84	
Senior Engineering Group	Tuesday	0.6516	0.8518	
Silentnight Holdings	Tuesday	0.74667	1.68667	
Tate of Leeds	Thursday			
Transatlantic & General Investments	*Wednesday*	2.5	2.75	
Whittington Engineering	Thursday	1.11667	3.15	
Wolstenholme Rink	Monday	1.785	3.215	

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Paid on 25p shares. ‡ Second interim. § Total of three interim dividends, each totalling 0.5p. ¶ In "A" ordinary shrs. ‖ Paid by John Laing and Son Ltd.

Scottish TV interim held

BECAUSE of the difficulty in *assessing the consequences of* the ITV strike on the 1979 results of **Scottish Television**, the directors are keeping the interim dividend to last year's level of 1.216p per share.

Pre-tax profits for the first six months were down slightly from £1.08m to £1.07m but after tax of £570,000 (£613,000) net profits, were £497,520 against £471,306.

Advertising revenue rose from £8.76m to £10.02m after a virtual standstill in the first quarter when advertising activity was affected by the transport strike.

Programme investment was again raised substantially and there was a corresponding growth in staff and other related costs. *Sale of programmes* and services amounted to £271,099 against £394,754.

The interim dividend again absorbs £62,928. Last year, the group paid a total of 2.6347p when pre-tax profits were a *record £2.02m.*

FFI purchases £1m bonds

Finance For Industry has purchased *and cancelled £1m* 9¾ per cent Sterling/U.S. dollar payable bonds, 1987, leaving £19m outstanding.

The bonds will be credited to and applied in satisfaction of the company's sinking fund obligation to redeem £1m of the bonds on December 31, 1979. Accordingly, there will be no drawing in connection with the repayment of bonds due on that date.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Shares in **Whessoe**, the Darlington-based engineers, jumped 38p to 163p on Wednesday after news that **Costain**, the international contracting and construction group, had built up a stake of 14.73 per cent and had asked for discussions about a full-scale bid. Mr. Sowden, Costain's chairman, is reported to be reluctant to make an opposed offer, while Whessoe has responded by advising its shareholders to take no action until they hear further from the Board.

Kwik-Fit (Tyres and Exhausts) is buying **Euro Exhaust Centre Holdings** in a deal worth £10.46m. The enlarged group will be the biggest independent tyres and exhaust systems retailer in Europe. Kwik-Fit is making a cash payment of £3.5m and issuing 12m Kwik-Fit new ordinary shares.

To provide a platform from which to plan future growth in the U.S., **Delta Metal** made its first U.S. acquisition with the $6m cash purchase of the Bristol Brass Corporation subsidiary **Accurate Forging Corporation.** Delta already had a technical association with the latter which is one of the leading brass-forging companies in the U.S.

Glynwed acquired for £1.28m cash 95 per cent of the capital of **La Dauphinoise**, a French fastenings manufacturer and supplier.

Dealings in the shares of **Fairbairn Lawson**, the engineering concern, were suspended at the company's request on Thursday at a year's low of 20p pending an announcement.

Talks with an unnamed party which might have led to an offer for **Allied Colloids** were terminated; dealings in AC's shares, suspended just over a week ago at 152p, resumed on Thursday at 130p and the price fell to 115p before ending the week at 131p.

The American takeover scene was dominated by **Shell Oil**, the 69 per cent owned U.S. subsidiary of Royal Dutch Shell, making the biggest-ever takeover in the U.S. in its bid for **Belridge Oil**, a little-known oil-rich Californian company. The mooted purchase price is in the region of $3.65bn (£1.66bn).

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Allen (Edgar)¶¶	69½*§	61	63	9.63	Aurora Hldgs.	—
Averys	245*	252	275	90.4	GEC	17/10
Berwick Timpo	75*§	77	68	1.25	Chrtrhse. Japhet & Associates	—
John Bright¶¶	40½*	39	43	4.20	Largs	—
Clifford & Snell	39½	38	35††	1.82	Ransome Hoffman Pollard	—
English Card Clothing	130§§	129	102	5.60	Carclo	2/10
FPA Const.	17	17	18	1.35	Heywood Williams	25/10
Gibbons Dudley	158½§§	154	97	30.7	Steetley	24/10
Harrison & Sons	75*	73	50††	1.70	Lonrho	—
Lindustries	135*§	134	120	23.6	Hanson Trust	—
Parker Timber	250	243	240††	14.8	Harrison & Crosfield	—
Sndrsn. Kayser¶¶	75§§	76	50††	4.47	GEI	—
Spillers	49	40	39½	72.1	Dalgety	12/10
Taylor Pallister	96*§	106	95	0.46	London and European	—
Wimn Industries	72§§	68	62	8.50	London and Midland Inds.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 5/10/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Cope Allman	June	11,782	(9,180)	19.7	(14.6)	—	(2.13)
Copson (F.)	April	198	(166)	2.7	(2.17)	1.0	(0.83)
Electronic Mchn.	April	70	(253)L	1.75	(—)	—	(—)
EMI	June	10,820	(25,970)	1.8	(7.6)	3.41	(9.38)
Footwear Inv.	May	444	(633)	10.8	(10.3)	5.04	(4.39)
Halstead James	June	1,660	(785)	9.96	(4.25)	2.0	(0.8)
Ingall Industries	June	438	(347)	3.47	(3.07)	2.06	(1.87)
Pochins	May	725	(703)	58.86	(44.37)	8.13	(4.27)
Raglan	March	121L	(628)L	—	(—)	—	(—)
Raine Engrg.	June	127	(103)	6.63	(1.11)	0.87	(0.87)
Sndrsn. Murray	June	11L	(149)	—	(6.1)	2.0	(3.47)
Sirdar	June	3,200	(2,100)	21.23	(13.85)	4.0	(2.1)
U. U. Textiles	June	54	(122)L	0.85	(—)	—	(—)
Wstmnstr. & Cnty.	April	177	(112)	12.2	(3.9)	1.5	(1.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied Plant	June	517	(206)	1.0	(0.6)
Anchor Chemical	June	350	(153)	2.38	(2.07)
Beauford Group	June	339	(269)	1.4	(1.2)
Bilton (Percy)	June	2,764	(3,043)	2.5	(2.26)
Boustead	June	1,190	(825)	0.5	(0.35)
British Syphon	June	535	(645)	1.3	(1.16)
Bunzl Pulp	June	8,180	(6,700)	3.83	(3.19)
Cape Industries	June	6,208	(5,499)	3.9	(3.19)
Cliffords Dairies	June	815	(481)	0.8	(—)
Comfort Hotels	July	1,118	(621)	0.18	(0.15)
Currys	July	4,572	(3,686)	1.2	(1.0)
Dinkie Heel	June	168	(142)	0.25	(0.14)
Downiebrae	June	293	(233)	0.9	(0.75)
Emray	June	98	(48)	—	(—)
Ests. & General	June	469	(107)	0.55	(0.5)
First Castle	Aug.	154	(103)	0.6	(0.5)
Feseco Minsep	June	8,237	(8,202)	2.65	(2.11)
Fothergill & Hrvy.	June	932	(783)	2.75	(2.5)
Gordon (Luis)	June	201	(18)L	—	(—)
Haden Carrier	June	1,150	(1,030)	3.25	(3.0)
Harris Queensway	June	4,080	(2,300)	4.0	(—)
Hewden Stuart	July	4,725	(3,345)	0.55	(0.32)
Hiltons Footwear	July	467	(408)	1.3	(0.87)
Holt Lloyd	Sept.	2,670	(1,960)	4.5	(3.5)
Hunting Petrlm.	June	1,200	(989)	1.5	(1.4)
Jerome (S.)	June	178	(311)	0.63	(0.5)
Midland News.	June	1,730	(1,850)	—	(—)
Milford Docks	June	131	(174)	3.43	(—)
Moss Bros.	July	156	(131)	1.4	(1.11)
Provincial Insce.	June	608	(1,680)	6.87	(6.57)
Reed (Austin)	Aug.	1,310	(1,010)	0.9	(0.73)
Samuel (H.)	Aug.	3,220	(2,930)	—	(—)
Silkolene	June	407	(301)	1.05	(0.84)
Spear (J.)	June	715	(713)	3.0	(0.7)
Spillers	June	5,478	(6,009)	1.4	(0.83)
Sthrn. Constructn.	June	398L	(33)	—	(—)
Walker (C. & W.)	Aug.	340	(330)	1.35	(1.22)
Weeks Associates	Aug.	30	(285)	0.7	(0.58)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. L Loss.

Scrip Issues

Harris Queensway: One for one is proposed.

Offers for sale, placings and introductions

Stewart-Nairn: Requotation for capital.

APPOINTMENTS

Top executive at the Prudential

THE NEW top executive of the PRUDENTIAL CORPORATION, the largest life assurance group in the UK, is to be **Mr. Brian Corby.** He takes over in the new year as group general manager from **Mr. Geoffrey Haslam**, the present chief executive who is retiring on December 31.

Mr. Corby is also succeeding **Mr. Ronald Skerman** as chief actuary of the Prudential Assurance Company, the largest company within the corporation. Mr. Skerman is also retiring at the end of the year.

The Prudential Corporation was established at the beginning of this year as a holding company for the main operating companies within the Pru organisation. Mr. Corby worked closely with Mr. Haslam in the formation. The Prudential controls funds worldwide in excess of £6bn and Mr. Corby's responsibilities will include co-ordinating plans for the group, maintaining financial control and monitoring the broad corporate planning programmes.

Mr. Corby is aged 50 and joined the Prudential in 1952. He qualified as a fellow of the Institute of Actuaries in 1955.

★

Mr. Carl J. Larsen, plant manager, has been appointed a director-environmental activities for MONSANTO.

★

Mr. David Blyth has been appointed a director of GARTONS and has been succeeded as company secretary by **Mr. David Sumner.**

★

The Trade Secretary has appointed **Mr. A. David Owen**, chairman and group managing director of Rubery Owen Holdings, a member of the BRITISH OVERSEAS TRADE BOARD.

★

Mr. G. A. F. Lickley has been appointed a director of MORGAN GRENFELL FINANCE. **Mr. A. D. Alavoine, Mr. B. J. Cook, Mr. R. G. Scriven** and **P. Wing** have been appointed senior assistant directors, and **Mr. J. M. Short** and **Mr. M. H. Wilson** have been appointed assistant directors of Morgan Grenfell and Co. Limited.

★

LELLIOTTS (WORTHING), part of the OCS sub group specialising in blind manufacturing and servicing, has appointed **Mr. Harold Paris** as a director.

★

Mr. P. D. Maunsell has been appointed chairman of ZIMMERMANN HOBBS.

★

Mr. John F. O'Brien has been appointed financial director of LRC INTERNATIONAL. He joined the company as financial controller last October from ITT.

★

Mr. F. R. Goodenough and **Mr. G. N. Mobbs** have been appointed directors of BARCLAYS BANK. Mr. Goodenough is senior local director of the bank's Oxford district and a director of Barclays Bank UK Management and Barclays Bank International. Mr. Mobbs is chairman and chief executive of Slough Estates. He is also a director of Barclays Bank Trust Company and chairman of Barclaytrust Property Management.

★

Mr. John Buckeridge, who joined FILTRONA INTERNATIONAL in July as financial controller, has been appointed finance director. Filtrona International is a subsidiary of Bunzl Pulp and Paper.

★

Mr. John E. Batten has been elected commercial director of KLAMIX, Redditch, and **Mr. Anthony P. Mitchell** has been elected group financial director and continues to act as group company secretary.

★

CRITTALL WINDOWS marketing director **Mr. Roger Feaviour** has left his post with the Braintree-based metal windows company to become managing director of Temperature—another company in the Norcros Group.

★

Mr. Nello Celio, former Swiss Finance Minister, has succeeded **Mr. Gerard Bauer** as board chairman of INTERFOOD SA, of Lausanne, the holding company for the Tobler and Suchard chocolate groups. Mr. Bauer was made honorary chairman. New board members of Interfood are **Mr. Georges Krneta**, chairman of Merkur AG, and **Mr. Jean Carbonnier**, president of the Neuchatel chamber of commerce.

★

Mr. Gordon Mattey, director of the clients' advisory service of the Royal Institute of British Architects, has been appointed chairman of the NATIONAL HOME ENLARGEMENT BUREAU in succession to **Mr. R. L. M. Mackie**, managing director of Boulton and Paul (Joinery), with effect from November 13.

★

Mr. Harry Merton has been appointed as divisional director batching plant department of WINGET. He replaces Mr. Trevor Bates, who has retired owing to ill-health.

★

Mr. William L. Wearly has been elected a director of SPERRY CORPORATION. He is chairman of the Board and chief executive officer of Ingersoll-Rand Company.

★

Mr. Gerald Mason has been appointed chairman of THE NATIONAL ASSOCIATION OF LOFT INSULATION CONTRACTORS. **Mr. Rex Holme** has been elected vice-chairman.

★

Mr. Antony Delderfield has joined the Board of WIGHAM POLAND MARINE as a deputy chairman. **Mr. Denis Finnett** has also been appointed a deputy chairman. Mr. Delderfield will be responsible for developing the Group's interests primarily in the Far East and has been appointed chairman of Wigham Poland Far East.

★

Mr. Paul Dowson has been appointed financial director of IPC MAGAZINES from November 12.

★

The Environment Secretary has appointed **Mr. Norman Pryan** to the NORTHUMBRIAN WATER AUTHORITY following the resignation of **Mr. P. Davis. Mr. Kenneth Robertson** is joining the SEVERN TRENT WATER AUTHORITY following the resignation of **Mr. B. C. Jones.**

★

Mr. Robert Biggs, general sales manager of Mardon Son and Hall has been appointed to the Board of WILLIAM THYNE. He succeeds **Mr. Desmond Mann** as sales director on January 1, 1980, and will be taking up a more senior appointment within the Group's UK folding carton division.

★

Mr. Jan Cosijn, director-Middle East, has been appointer chairman of VOLKER STEVIN PIPELINES, a subsidiary of Royal Volker Stevin.

★

Mr. Norman Lowden, general manager, and **Mr. John Millman**, financial controller and secretary, have been appointed to the Board of Ashton Containers. Mr. Millman becomes financial director and remains company secretary.

★

Mr. R. E. Lynam has been appointed the first managing director of ROCKWARE PLASTICS INDUSTRIES, which was recently established as the holding company for Rockware's plastics bottle and film-making companies in the UK and the overseas bottle factories recently acquired from Dart Industries Inc. **Mr. M. J. Witcher** has been appointed managing director of Rockware Plastics, responsible for the UK plastics bottles division of Rockware Plastics Industries.

★

Dr. P. E. Axon will be resigning from the main Board and from full-time service with Stone-Platt Industries on October 15 when he reaches retirement age. He will remain a non-executive director of Stone-Platt Pumps.

★

Mr. L. G. Bonar has been named senior vice-president-commercial for the AMAX nickel division, U.S.

★

Mr. C. M. Watt has resigned as a non-executive director of BLUNDELL - PERMOGLAZE HOLDINGS due to increasing business commitments.

★

KUEHNE AND NAGEL UK has made the following appointments: **Mr. K. F. Champion**, director of K and N's Midlands organisation, and **Mr. R. W. Parker**, financial director, have been made deputy managing directors. **Mr. T. Littlejohns**, director Northern organisation, becomes director Southern organisation, **Mr. H. Berge** becomes director Northern organisation and **Mr. G. A. Karlson** becomes director Midlands organisation.

★

TARMAC has formed a new industrial division with **Mr. Peter Woodman** a Tarmac main board director, as chief executive.

★

Mr. F. P. Stegen has been appointed to the Board of BERGER, JENSEN AND NICHOLSON as supervising director for Berger, the Group's UK paintmaking division, and PGW WHOLESALE, the Group's UK merchant distributors. He has also been appointed executive chairman of Berger UK, of which he was previously managing director. **Mr. M. O. Mitcheson**, industrial director of Berger UK, succeeds him as managing director.

★

Lord Thomson of Monifieth has been appointed a director of the WOOLWICH EQUITABLE BUILDING SOCIETY.

★

Mr. F. B. Oddie, formerly of Fafnir Bearings, has been appointed managing director of WIDE RANGE ENGINEERING SERVICES.

★

Mr. Peter Ward has been appointed local director of the Exeter area office of MERCANTILE CREDIT COMPANY, the finance house subsidiary of Barclays Bank. **Mr. Roy Simblet**, consumer area manager in Southampton, succeeds him as local director of Mercantile's East Midlands area office.

Unigate forms new company

UNIGATE has made a series of board appointments within the food division, and established a new company, Unigate Chilled Distribution, initially responsible for the distribution of St. Ivel products. Managing director will be **Mr. Eric Lamdin**, supported by transport director **Mr. John Smallshaw** and operations director **Mr. Brian Morley.** All three directors were previously with St. Ivel. **Mr. Andrew Dare** is promoted from marketing director to managing director of St. Ivel, and other appointments include **Mr. Chris Gibbons**, marketing and sales director, **Mr. Walter Dodd**, sales director and **Mr. David Short**, administration director. **Mr. Richard Terrance**, previously finance director of St. Ivel has become finance director to Unigate food division.

★

Mr. D. W. Evans, Mr. P. J. Finch, Mr. R. A. Jennings, Mr. A. J. Oddie, Mr. D. I. Shaw and **Mr. A. F. Webster** have been appointed to the board of M & G TRUST (ASSURANCE).

★

Mrs. Doris Halaby has been appointed a director of NATIONAL BANK OF NORTH AMERICA, a wholly owned subsidiary of National Westminster Bank. A graduate of the University of Washington, Seattle, she is a director and a vice-chairman of the Foreign Policy Association. She is also a director of the Near East Foundation and of the Stanley M. Isaacs Centre, a community development in New York City. **Mr. John H. Page** has also been appointed to the board. He is president and chief executive officer of Inco United States, Inc., a subsidiary of Inco Limited, and of the International Nickel Company Inc., a subsidiary of Inco United States.

★

The Education Secretary has appointed **Professor W. D. P. Stewart** and **Professor J. D. Woods** to be members of the NATURAL ENVIRONMENT RESEARCH COUNCIL, each for a term of three years, from October 1.

★

Mr. Robert Dalrymple and **Mr. Malcolm Kennedy** have been appointed Board directors of UNIVERSAL McCANN.

★

Mr. H. E. S. Morris, assistant chief investment manager, has been appointed chief investment manager of LLOYD'S BANK.

★

Mr. S. P. Pitt has been appointed to the Board of CUNDELL COUTTS and of CUNDELL PACKAGING (ST. ALBANS). He remains managing director of CUNDELL SHEET PLANTS.

★

Mr. Eric Black has been appointed managing director of the MASS TRANSIT RAILWAY CORPORATION, Hong Kong, in succession to **Dr. Tony Ridley** following his resignation. Mr. Black is presently general manager of the European division of Lucas world service. Dr. Ridley will be leaving the corporation at the end of March 1980 and Mr. Black will join the corporation in February, initially as managing director designate, taking over as managing director when Dr. Ridley leaves.

★

Mr. R. G. B. Scullard has been appointed to the Board of ROSS WOODROFF AND ASSOCIATES. Following his partial retirement **Mr. Norman Chipchase** has now relinquished his appointment as company secretary. He will continue as a member of the Board and as company secretary of Ross Woodroff (Holdings) and its subsidiary companies, Marketing Consultancy Services, Promotex and Tully Crabbe Studios. Mr. Chipchase's successor as company secretary will be **Mr. Peter Downie.**

★

Mr. Roy W. Cox has been appointed managing director of DEX GEARS, a Dowty Group industrial division company.

★

Mr. D. G. M. Davis has been appointed technical director—dynamics at DOWTY ROTOL.

★

Mr. John Huckle has been appointed group financial manager of Eurotherm International from November 1. He is financial controller, Europe, Africa and Middle East, for Raymond International (UK).

★

Mr. Harry Jackson, commercial director of GEC (management) has been elected president for 1979/80 of the BRITISH ELECTRICAL AND ALLIED MANUFACTURERS' ASSOCIATION (BEAMA). **Mr. Gordon Hazzard**, group managing director of MK Electric Holdings, has been elected deputy president.

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN C	F.340	—	—	2	12	—	—	F.349
ABN C	F.370	—	—	10	0.50	—	—	F.28.80
AKZ C	F.27.50	21	1	—	—	—	—	
AKZ C	F.30	10	0.10	21	1	51	1.70	"
AKZ C	F.32.50	—	—	1	0.30	—	—	"
AKZ P	F.30	—	—	12	2	—	—	"
AMR C	F.75	—	—	—	—	6	1.50	F.73.10
BQ C	F.220	—	—	5	25.50	—	—	F.241.50
BQ C	F.240	—	—	5	11.50	—	—	
GOS C	F.150	—	—	—	—	10	3	F.140.50
HO C	F.30	5	1.80	5	2.50	—	—	F.30.90
HO C	F.32.50	—	—	4	1	—	—	
IBM C	$70	5	⅞	—	—	—	—	$68¾
IBM C	F.75	16	1/16	—	—	—	—	
KLM C	F.90	—	—	13	6.50	40	5.70	F.92
KLM C	F.100	40	0.30	86	3.70	33	4.60	"
KLM C	F.110	—	—	35	0.70	32	2.30	"
KLM C	F.120	—	—	340	0.40	—	—	"
KLM P	F.90	—	—	210	3.10	42	4	"
KLM P	F.100	8	7.30	35	7.70	10	8	F.122.20
NN C	F.115	5	7.20	75	8.10	20	8	"
NN C	F.120	—	—	—	—	—	—	"
NN C	F.125	—	—	—	—	3	5	Fr.5750
PET C	Fr.4600	4	1250	12	1070	—	—	"
PET C	Fr.4800	7	950	9	900	—	—	"
PET C	Fr.5000	4	850	19	500	5	620	"
PET C	Fr.5500	23	270	—	—	—	—	F.23.50
PHI C	F.22.50	10	0.90	93	1.50	40	2.40	"
PHI C	F.25	—	—	352	0.50	185	1.10	"
PHI C	F.27.50	—	—	71	0.20	—	—	"
PHI P	F.25	16	1.50	—	—	1	1.80	"
PSA C	F.320	—	—	—	—	4	25	F.306.80
PU C	F.360	—	—	—	—	5	44	F.350
RD C	F.135	15	21.10	—	—	—	—	F.156.10
RD C	F.140	34	16.20	—	—	—	—	"
RD C	F.150	66	6	178	8.20	35	11	"
RD C	F.160	102	0.60	108	3.40	36	5.80	"
RD P	F.150	50	0.10	14	2	65	2.70	"
RD P	F.160	—	—	10	5.50	93	6.80	"
UNI C	F.130	—	—	—	—	5	5.50	"
UNI C	F.135	—	—	11	1.40	—	—	"
		Nov.		Feb.		May		
BAZ C	$50	—	—	10	—	4⅛	—	$49⅞
SLY C	$50	—	—	—	—	2	13½	$68
SLY C	$90	—	—	10	5	—	—	"

TOTAL VOLUME IN CONTRACTS 2339
C=Call P=Put

INSURANCE BASE RATES

† Property Growth 12¼%
† Vanbrugh Guaranteed 12¼%
† Address shown under Insurance and Property Bond Table.

CORAL INDEX: Close 478-483

Plan to lend more to GPs

NEGOTIATORS representing family doctors have been told by the Department of Health that ministers are planning to increase the borrowing power of the General Practice Finance Corporation.

The British Medical Association general medical service committee has been concerned about a rumour that the corporation would be closed. The BMA said yesterday it was hastening to reassure general practitioners and organisations providing financial assistance for them that the rumour is untrue.

The finance corporation lends money to general practitioners to help them buy or improve surgery premises. Doctors have asked for its borrowing power to be quadrupled from £25m.

Plea to spare trade officers

TRADING STANDARDS officers should be spared from local government expenditure cuts on the grounds that, like the police, they play an important role in upholding law and order, says Mr. John Brookes, Berkshire's chief trading standards officer.

He said that 65 per cent of his department's work dealt with indictable offences such as fraud and car "clocking"—the illegal alteration of mileage instruments.

Mrs. Sally Oppenheim, Consumer Affairs Minister, has stated that unlike the police, standards officers were not concerned with violence and so should not come under the "law and order umbrella" which has spared the police from expenditure cuts.

FINANCIAL TIMES SURVEY

Saturday October 6 1979

Individual Pensions

With the establishment of the State scheme the pensions spotlight has shifted from company schemes to the individual needs of people like top executives and the self-employed. This survey discusses the facilities available.

Sector of growing interest

By Eric Short

THE BUSTLE is over in the company pensions field now that the new State pension framework is established. Those involved in company pensions are concentrating on the day-to-day operations of pension schemes — investing the funds, handling the complex administration required under the new system and keeping members informed of what is happening.

So it is opportune to consider the field of individual pensions, itself a wide sector of the pensions field. There are various opportunities for employees to supplement their pensions whether they are in the State scheme or contracted out into a company scheme.

But there is need for the self-employed to make their own pension arrangements, since the new State scheme has completely ignored them. And there are advantages for controlling directors and top executives to have their own individual pension arrangements in conjunction with, or quite separate from, the pension provision made for employees.

Over the past two or three years there has been a boom in executive pensions business, both in schemes marketed by life companies and latterly in self-administered schemes. Not surprisingly, the efforts of pension consultants are now being concentrated in this area, since the company pension field has been effectively stabilised.

Opened

Pension arrangements for executives are by no means a new idea. Life companies have been marketing "Top Hat" individual pension contracts for decades. But this market was really opened up with the passing of the 1973 Social Security Act.

Before then, controlling directors were deemed to be self-employed for pension purposes and not employees of the company. The Act removed this anomaly, presumably with the intention of allowing controlling directors to become members of the company pension scheme. Instead it added a new dimension to the pensions field.

There are several sound financial reasons why the pension and the death-in-service benefit should be provided separately from the provision made for employees.

So far as small companies are concerned it is usually not feasible to set up a company pension scheme. The new State scheme, once it reaches maturity, will provide adequate pensions on retirement for the general run of employees. The company can possibly fill in the gaps in the State scheme benefit structure with some form of top-up provision.

But for the top personnel those gaps become more meaningful. Pensions in the State scheme are calculated on salary up to about one and a half times national average earnings. Thus the pensions provided, as a proportion of final salary, are comparatively low for the higher paid. And the State scheme does not pay lump sum benefits on death-in-service or at retirement. There is a need for an executive pension scheme to provide those benefits.

In a medium to large company, where there is an adequate company scheme for employees, it may still be preferable to have separate arrangements for executives. The benefits can be provided on a completely flexible basis to suit each individual, whereas to do this in the main pension scheme would be administratively burdensome. The benefit levels can be made more generous than in the main scheme without imposing an impossible financial burden on the company.

There is no doubt that executive pension arrangements provide top personnel in a company with better, and more costlier, benefits than are given to the rest of the company's employees. One can argue in depth about the moral implications contained in setting up executive pension arrangements. A decision has to be taken within each company as to the level of extra remuneration for executives and what form it takes. These moves to executive pensions have arisen mainly from the penal tax system operating in the UK. The reduction in tax rates may ease this pressure.

Eligible

It needs emphasising that executive pension arrangements are eligible only for the tax concessions available to all *pension schemes*. But the higher the tax rate, the more valuable these concessions are. All pension schemes have to get the approval of the Inland Revenue Superannuation Funds Office (SFO) and its task is to check for tax avoidance.

The main benefits available under an executive pension arrangement are the usual ones for a company pension scheme.

- A pension payable from the normal retirement *date* with provision for a widow's pension from the member's death in retirement.

- The option at retirement to commute part of that pension for a completely tax free lump sum.

- The payment of a lump sum, again completely tax-free, on death in service, together with the payment of a widow's pension.

The Revenue allows a person to qualify for a full pension of two-thirds of final salary after 10 years membership of the scheme. Under a company pension scheme it is normal for eligibility for such a full pension to take 40 years—the usual 1-60th of final salary for each year of service. Allowance for service before joining the company is given on a selective basis, if at all. Often, executives come from other jobs *comparatively late in their* working lives. With a separate scheme they can qualify for a full pension.

The pension paid to the executive can be funded in advance to allow for specific annual increases. Once the pension becomes payable it can be topped up to allow for inflation.

Such generous pension provision is costly. The company's finances can probably stand this cost for a few top executives but not for the general body of employees. Having said that, however, there is still a need in company pensions for employers to do more for employees who do not qualify for a full pension and to do more to revalue pensions paid to retired employees.

Pensions can be commuted for a lump sum of up to one and a half times final salary provided the employee has done at least 20 years' service. There are lower amounts for shorter service on a sliding scale. This represents the most tax-efficient means of saving for retirement. An executive doing it himself will have to save out of after-tax income, pay income tax and possibly investment surcharge on the investment income and capital gains tax on realising them.

The Revenue allows a lump sum to be paid on death-in-service of up to four times salary at the date of death. By arranging for this benefit to be paid on a discretionary basis it can be paid free of Capital Transfer Tax. This benefit is extremely valuable to controlling directors wishing to hand on a family business to the next generation.

In fact many controlling directors work for as long as they are capable, partly because until now there have been no adequate pension arrangements but more often because they are completely involved in the business. The lump sum death *benefit is more valuable to them* than is the pension.

Arrangements can be made for any member of the pension scheme to defer retirement beyond the normal pension age. But in a small pension scheme in practice there is no such thing as an age at which directors retire. There were many ingenious schemes arranged so that the director could get a tax-free sum on death at any time. But this year the SFO in its latest practice notes issued earlier this year has clamped down on these schemes and made it very clear concerning payment of lump sum for deferred retirement.

For most employees the benefit applies for three years after the normal retirement date. But the 20 per cent director—a director owning at least 20 per cent of a company's shares—can defer retirement to age 75 and still be eligible for the lump sum on death free of CTT. But on death after 75, CTT can only be avoided if the lump sum is passed direct to his wife.

The cost of these schemes can be borne entirely by the company. Alternatively, the executive can contribute up to 15 per cent of his salary towards the cost. The company's contribu*tions are fully allowable for* corporation tax purposes while the executive gets tax relief at his top rate.

Many schemes operate on a non-contributory basis, since this was thought to be a means of transferring profits from the company to the executive on a tax-efficient basis. But this efficiency can be improved if the executives pay the full 15 per cent contribution, receiving a salary increase to meet the contributions, since benefits are based on gross salary.

For example, an executive earning £17,000 a year in a scheme with the company paying all the cost will get a death-in-service benefit of £68,000. If his salary is lifted to £20,000 his maximum contribution of £3,000 to the scheme will bring his taxable salary back to £17,000. But his permitted death-in-service benefit is now £80,000.

Ploy

The SFO has always taken the view that a pension scheme is set up to provide pensions. But it is often a more effective ploy to sell executive pensions schemes as a means of reducing the corporation tax bill. This is especially true with small companies. The benefits are often funded for the maximum permissible so that the *company can pay as much as* possible from pre-tax profits into the pension scheme. Pension costs of 100 per cent of salary are not unknown, yet for the ordinary employee a cost of 30 per cent is considered excessive.

The SFO monitors these schemes so as to stop excessive payments. Nevertheless *it has* to allow a scheme to fund for the maximum permissible benefits even if the company does not afford its employees similar generosity. In particular the SFO has set out for self-administered funds what is acceptable on funding arrangements. It will not allow actuaries to assume a nil return on investments for example. They have to assume a positive return over the long term of at least one per cent.

There is no shortage of professional advice for companies wishing to set up an executive pension arrangement. These consultants are well versed in the benefit structure and how to fund for the contributions to bring about the maximum benefits to the company. The accountant needs to be brought into the discussions at an early stage.

One important decision to be taken is whether to use one of the plethora of life company schemes on the market or to operate a self-administered scheme. Separate articles in this survey discuss both types of schemes. Some consultants have thrown themselves wholeheartedly into the self-administered scheme. Others have been very reluctant to take such a step. Companies interested need to check that their consultant will present a balanced picture of both schemes — admittedly not an easy thing to do.

Progressive relaxation of the Inland Revenue regulations governing pensions for senior executives — popularly known as " Top Hat " schemes — has led to a very substantial market for the life offices. Articles on this page and the following discuss the various options.

Entry for the executives

IT IS now several years since company directors and senior executives were first allowed to take out pension policies through their companies. The only previous method of making tax exempt contributions had been to provide for retirement by taking out a self-employed deferred annuity. These annuities, or SEDAs, are still very popular but "Top Hat" schemes provided by life assurance companies have proliferated. Inflation and successive, almost continuous, rounds of wage restraint have contributed to this growth not least because executive pension schemes can also provide almost unlimited post retirement pay since the pension is linked to final salary and not to the director's maximum tax free contribution, as in self employed plans.

Because they are individual schemes it would be easy to assume that Top Hats are tailored solely to meet the requirements of a small company but they are used quite widely by larger corporations to provide pensions for certain senior executives and are particularly attractive when a board member, for example, holds more than one directorship and is thus paid by two or more companies.

Reward

An employer can obviously reward his staff in whatever manner he chooses but in order to gain the substantial tax concessions offered by the Finance Act, 1970, which with one or two later amendments remains the benchmark for executive pension benefits, a company must gain standard approval for the scheme. This is granted by the Joint Office of the Inland Revenue, comprising the Superannuation Funds Office and the Occupational Pensions Board, and the salient point that must be agreed is the limitation on the maximum benefits that can be provided by the scheme.

These are related to the executive's length of service and his final salary. A retirement date must be chosen from the outset which is used to estimate the maximum allowable benefit.

The date of retirement is crucial since benefits have to be adjusted if, for example, the executive leaves service earlier than expected, and maximum permissible benefits may also be reduced if the director has received a pension from a previous employer.

Final salary is usually defined as either basic salary plus the average of three years' fluctuating emoluments, which take in directors' fees, received in any one of the five years immediately before the normal retirement date; or the average of the total emoluments received in any three or more consecutive years ending not earlier than 10 years prior to normal retirement date.

The benefits that the Inland Revenue then confers, on full approval, include full corporation tax relief on company contributions deducible as an expense of management in the year in which it is paid. Relief on special contributions may be spread over a number of years.

There is no liability to income tax on behalf of the employee since the contribution is not treated as a benefit in kind and the executive can make contributions himself up to 15 per cent of salary which will be granted full income tax relief at the highest rate paid.

All contributions are invested in a tax-free fund, including freedom from capital gains tax, and the employee may take a tax free lump sum on retirement. This can usually be transferred free of Capital Transfer Tax if death occurs before retirement. All pension payments are treated as earned income and are thus not liable to any investment income surcharge applicable to unearned income.

Pensions designed for senior executives and directors fall into three broad categories. Unit-linked pension schemes arrange for at least 95 per cent of the annual premium to be invested in a range of equity, fixed interest or managed funds. The market value of the units is finally used to buy an annuity when the selected retirement date is reached.

Some of the leaders in this field—Hambro Life, Abbey and Hill Samuel—have recently been joined by the M and G Group. Responsible for some £200m of pension fund and other tax exempt portfolios, M and G is now on the verge of gaining standard approval for a pension plan for companies wishing to make special arrangements for directors and executives.

The plan was in effect set up in June when the group launched seven tax exempt funds for its self-employed plan and participants can buy units in any one of the equity, property, fixed interest, managed, American, Pacific Basin and Deposit funds.

This proliferation of both geographical and investment instrument choice is now becoming common, perhaps in relation to the lowering of general overseas investment obstacles incorporated in the last Budget and like many other unit-linked pension fund managers, M and G offers a free transfer from one fund to another on the first occasion and charges a £25 fee for all subsequent switches.

Another broad category of executive pension schemes is made up of deposit administration policies. These work rather like a deposit account with a bank in that the insurance company managing the scheme deposits the policyholder's premium in his account and credits interest at regular intervals after deducting management charges.

Interest rates payable will be an accurate reflection of prevailing investment conditions although many life assurance companies now incorporate guarantees. In some cases the guaranteed interest rate will at least equal the Building Societies Association recommended mortgage rate although, in others, the managers will recoup their expenses by crediting a lower interest rate throughout the term of the policy to those premiums payable in the first one or two years, instead of making a reduction from each premium.

Fluctuate

But in general deposit administration schemes interest rates can be expected to fluctuate more widely than the bonuses paid by the third executive pension scheme category, the with-profit policy.

These are based on a guaranteed benefit which is payable at the chosen retirement age with the proviso that the premiums are kept up throughout the life of the policy.

A life assurance company running a with-profit executive pension scheme declares a reversionary bonus, usually every one or three years, which raises the guaranteed benefit. Once bonuses have been declared they are always attached to the policy and a compound bonus system is often used so that when the second and subsequent declarations are made, the bonus will be percentage of the guaranteed benefit plus the existing bonuses.

Around 50 per cent of the companies now operating such schemes pay a terminal bonus which is added to the policy only when the retirement age is reached. Sometimes, the terminal bonus will disappear altogether if investment conditions are deemed to be unfavourable and will nearly always be subject to sharp fluctuations.

The bonuses declared in the course of the policy, however, are usually stable since life assurance companies mostly carry a reserve to smooth the ebb and flow of investment variations. Rarely, if ever, are bonuses reduced although it may be rather more difficult to maintain a gradual upward path if a fall in inflation leads to a general reduction of the interest payable in most investment media.

Quite clearly, the three categories of executive pension policies offer different risks and rewards. By specialising, the unit linked schemes perhaps offer the greatest exposure to the investment market's ups and downs. To take an extreme example, an executive approaching retirement would have seen a paltry pension had the bulk of his savings in 1973 been tied up in property funds. Careful advice taken at the start of a policy may pay enormous dividends and any company, or senior executive, wishing to embark on the road to individual pension schemes would do well to consult one of the leading insurance brokers, many of whom run employee benefit services.

Ray Maughan

Mushrooming business

EXECUTIVE PENSION schemes have mushroomed over the past few years following the decision in 1973 to allow controlling directors to join in. Up to then other executives and key employees could qualify for such plans but it need hardly be said that interest was only seriously aroused once the bosses were allowed into the circle.

The basic distinctions between schemes for the self-employed and schemes for directors are worth stressing at this stage in view of the more recent development of executive plans. A business has to be a limited company to enter into an executive scheme and there are of course a host of considerations to be taken into account when deciding whether to opt for company or partnership status. Nonetheless, before 1973 controlling directors in limited companies were considered to be self-employed for the purpose of their pensions and as a result many decided to join self-employed schemes. Because of this legacy it is not always appreciated that there are now major advantages in setting up an executive plan, as against entering a self employed scheme.

The differences are largely a result of the historical development of the two types of scheme. Self-employed plans, which date back as far as 1956, have grown out of a number of concessions which the self-employed lobby have gradually wrung out of often unsympathetic administrators. The executive schemes, on the other hand, can be traced back to the clauses of the 1970 Act which consolidated the mass of pensions legislation which had built up over a number of years.

Members of an executive scheme are allowed much greater flexibility when it comes to what they can make in the way of contributions. The self-employed are allowed to put 15 per cent of their salary or £3,000, whichever is the higher, into a plan. On the other hand there is virtually no limit on directors in an executive scheme who can therefore vary their contributions depending on how profitably the business has performed and what they feel they are able to take out in a production year. On retirement, the rules are again different. The executive can buy a pension which amounts to no more than two-thirds of his final salary while the self-employed is allowed to use the full pot of money which has built up for his retirement to buy an annuity. Careful planning, of course, ensures that the executive only funds for two-thirds of final salary.

Limited

Most important, the self-employed person is limited to taking a tax-free lump sum on retirement equal to three times the remaining fund while a member of an executive scheme can take up to one and a half times his final salary provided he has worked for 20 years. This of course could be quite a considerable sum and much more than the self-employed person's allowance in view of the executive's greater flexibility when it comes to funnelling money into the plan.

The executive schemes thus offer greater advantages and more flexibility than their older self-employed counterparts. The question directors now have to ask is whether they should opt for a unit linked or a traditional with- or without-profits scheme.

Unit-linked are undoubtedly more risky than conventional policies. The contributions are put into one of a variety of funds and linked, as with a unit trust, directly to the underlying value of that fund. It is up to the company running the executive scheme to decide where its contributions should be invested — the choice is usually equities, property, fixed interest, cash and managed, managed being the

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In-house schemes

WHEN A pension scheme has been set up, the company has to decide whether to operate an insured scheme with a life company, or to run the scheme on a self-administered basis. The arguments for and against are finely balanced, although it has ben contended that only the *larger funds* can justify *doing it* themselves.

The arguments for self-administration of pension schemes are that it saves on *costs* and the *investment policy* can be more flexible and tailored to the requirements of the fund. But the deciding factor for self-administration is simply a desire to run things oneself, especially investing the funds. The feeling is present that one has control of what is going on. In the company pensions field there is now a growing trend towards self-administration.

It is this desire to handle matters oneself that provides a powerful reason for operating *executive pension schemes on a* self-administered basis, despite the smallness in the number of members. Executive schemes are often set up for controlling directors of private family companies. These persons by their own nature and the nature of their jobs are used to doing everything in running their business. Delegation of major decisions goes very much against the grain. It is their money that is being invested in the pension scheme and they literally do not trust others to invest it for them without at least consultation.

There is, however, another powerful reason for going in-house, besides this personal pre*judice. Funded pension schemes* are great consumers of cash, and executive pension schemes tend to be overfunded so that they cream off as much of the pre-t : *profits of the company as* the Revenue will allow.

But although a life company running an executive pension scheme will invest the money *in an efficient manner*, the client company cannot touch the funds for its own use. The pension contributions are effectively locked away and will not be released until *retirement* of the director or on his death while still working.

With a self-administered fund, the investment of the assets is laid down in the trust deed and these can be made as wide as possible. This means that the investments of the fund can include making of loans to the parent company. Thus the fund's money can be made available to the parent company if it needs cash for business operations or expansion. The in-house fund can also invest in *the company's shares or in company* property. The conditions under which this can be done are discussed later.

It is far more tax-efficient to *put as much money into an* executive pension scheme and borrow back than to set aside money in a reserve fund for future use. Not surprisingly, some *consultants have* laid considerable emphasis on this aspect of executive pension schemes, treating the pension schemes as a tax-efficient reserve fund of the company. The controlling director may well consider that his company's operations and those of the pension fund are effectively one.

Self-administered schemes also provide close companies with flexibility in payment that enables them to cut down on their tax bill even further. Where profits tend to fluctuate considerably *from one year to* another, it is advantageous to pay higher contributions in the fat years and lower contribution in the lean years.

Imposed

But the Superannuation Funds Office of the Inland Revenue, which has to approve every pension scheme before it qualifies for tax exemption, has imposed certain restrictions on in-house executive schemes.

The SFO takes the view that a pension scheme is set up to provide pensions and that the investment policy of the scheme has to be tailored to meet these objectives. The pension scheme has to be kept separate from the company affairs. The guidelines for self-administered pension schemes are contained in the well-known Memorandum No 58 issued earlier this year.

The aim of the SFO is to control executive schemes where the number of members are small and closely connected, such as a family business. Generally it means less than 12 members, but this is not a rigid number. Companies cannot add other employees to make up the numbers and thereby avoid the provisions of this memorandum.

The SFO has been at great pains to avoid rigidity in the exercise of its controls. It has no objections to loans back to the company. But they must be on commercial terms. They must not be too great a proportion of the assets and they must not be made with considerable frequency. The SFO is concerned that this loan back facility is not used to make a *fully funded* scheme into one that is partially funded.

This means that the loans must be made for a specific business purpose, such as financing stock in trade or re-equipping a factory. The SFO would certainly frown on loans being taken every year for no specific reason other than cutting down on contributions.

The memorandum indicates that at any time not more than half the assets should be held in the form of loans back to the company. But this *does not* mean that the company can take back 50 per cent of its contributions every year in the form of loans; not even 30 per cent as some consultants think would necessarily be acceptable.

Elsewhere in the memorandum the SFO insists that the pensions at the time of retirement must be bought from a life company. This means that when one of the executives is coming up to retirement, the fund must have the cash available to buy the annuity. This in turn may mean that some of the loans will have to be repaid. The SFO will not accept loans that have no specific provision for repayment, and repayment *terms should ensure* that the scheme has cash when required.

Properly used the executive pension scheme can be a valuable source of finance for *the company. But if the loan* back facility is abused, then the fund runs the risk of losing approval and possibly other consequences.

Similar considerations apply to investment in company property. The memorandum accepts that such investment may be a suitable long-term holding for an ongoing fund. But not if cash is going to be needed only a few years in the future.

The memorandum makes it clear that these funds cannot significantly invest in works of art, other valuable chattels or non-income producing assets. The executive pension scheme cannot be used for buying yachts, renoirs or period furniture for the executives own use.

The SFO also warns that it will check carefully the assumptions made in the actuarial reports, to be made at least once every three years. All self-administered funds need an actuarial report at outset, to determine the contributions to be paid and a valuation every three years to report on the financial state of the fund and *future contribution* rates. The actuary should in his report as his professional responsibility, check on the suitability of the assets to meet the liabilities and *whether the* fund will have enough liquid resources at the right times.

Finally, these small schemes will need to have what the SFO terms a "*Pensioner Trustee*" on the trustee board of the scheme. This trustee has to be approved by the SFO and is a person widely involved in *pension schemes and having* dealings with the SFO. Usually it is the pension consultant or consulting actuary involved with the scheme.

Under the Saunders v Vautier case of 1841 a trust can be terminated and the funds distributed if all members and trustees agree to the action. The pensioner trustee has to agree that he will not consent to the termination except in accordance with the approved terms of the winding-up rule in the trust deed. This is to prevent what would be a glorious tax planning exercise.

Properly used, in-house schemes can be the most tax *efficient way of providing pen*sions. This has been accepted by those operating in this field, who have found that the SFO is most co-operative in dealing *with problems*. The *formation* of the Association of Pensioner Trustees should lead to some control on the operators in this field.

The trustees will certainly need advice on investment of the funds that are not lent back to the company. Most consultants are willing to assist with *this function. The merchant* banks are entering this field. But if all the company wants is the ability to take loans, then the schemes being launched by life companies will meet their requirements. Under these schemes at least 50 per cent of the contributions must be invested with the life company. Effectively, the life company looks after the investment of all funds not invested back in the company.

Eric Short

Business

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solution for the "don't knows" because it contains a mixture of equities, property, and fixed interest. The problem with the unit-linked approach is its uncertainty—if markets fall, the units suffer and there is no guarantee to fall back on. If the fund does well, of course, the units are likely to race ahead and the benefit will be fully reflected in a healthy pension.

Richard Allen, consultant in the Life Department of insurance brokers Willis Faber, admits that he is not "over-enthusiastic" about unit-linked schemes. "If people are going to rely on their pension as the only source of income they generally want a scheme which is going to be guaranteed. They also like to see their pension grow year by year, something which is not always going to happen with a unit-linked policy. We advise our clients to have a secure with-profits contract and tell them that if they want, by all means top up with a unit-linked plan."

Broad

Bernard Brindley, the actuary at Merchant Investors which runs a unit-linked scheme for executives, makes three broad observations about unit-linked plans. Under a conventional *scheme, he points out, expenses* in a bad year will come out of the life company's bonus and policyholders will suffer. When times are thin at the unit linked office and the volume of new business is not sufficient to meet costs, expenses will come out of shareholders' pockets.

Secondly, he says, track record is an important consideration. "The very best unit linked offices have performed better than the best of the traditional schemes but the very worst of the unit linked *policies have left investors* worse off than the bottom performing conventional schemes."

Very often this will depend when the individual decides to *retire—if it coincides with the* top of a bull market he will obviously be lucky. If it falls at a time like 1974 or early 1975 when equities and *properties* were *slithering* through the floor his rewards are going to be considerably lower. Life companies have increasingly introduced switching facilities in an effort to provide some protection for the policyholder. The decision to switch, however, is largely left to the company whose directors or employees are contributing to the scheme and while a good switch can consolidate gains, a bad switch can always make matters worse.

Mr. Brindley also draws attention to the projections which life companies make about what is going to happen to a fund's value in the future. As far as linked offices are concerned, he claims, this is purely a numerical exercise. Ten per cent, for example, seems to be a popular figure and while at the moment this may appear to be conservative, there is absolutely no guarantee behind it if things change dramatically for the worse. On the traditional side, however, companies let the pension scheme's assets build up by declaring reversionary bonuses and at the end of the term add a terminal bonus. *Reversionary* bonuses are, in fact, much more realistic estimates because the life company will tend to be conservative in order to avoid the embarrassment of not being able to meet its forecasts. If something goes wrong it can always dip into the fat which has been built up to cope with the lean years.

Once the executives have decided they want a unit linked or guaranteed policy, they have to decide where they wish their contributions to be invested. The choice is usually between equities, property, fixed interest, cash and managed. The advantage of the managed fund is that *it* provides a spread between equities, property and fixed interest which can be varied according to the view of the fund managers. This effectively takes care of any broad decisions which the executives involved might have to make about which sector to be invested in. According to Legal and General 66 per cent of the combined new money coming into its unit *linked self-employed and executive* pension schemes in the six months to the end of August went into its managed fund. Although in theory one might suppose that company directors relish the challenge of taking some of the investment decisions, this does not appear to be the experience of the life companies running unit linked schemes.

Chris Hatry, technical services manager of L and G, says that the best managed funds are often those where the amount of new money coming in is a high proportion of the total size of the fund. "This gives the manager greater flexibility to change tack," he explains. "He can simply direct the new contributions into the area he chooses and in this way change the emphasis of the whole fund."

Switching is obviously crucial for client companies who decide to go into a specialist *fund* like equities or property. Most life companies now offer this service. The problem, of course, is finding someone who will provide investment advice. The life companies certainly don't see themselves in this role and only a few insurance brokers are geared up to perform the function. Otherwise a company contributing to this sort of scheme is thrown back on the resources of its banker or stockbroker.

Tim Dickson

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PENSIONS IV

This section of the survey reviews the facilities available for the self-employed, for whom no special provision is made in the State pension scheme and who therefore have to make their own arrangements. The choice is wide.

The self-employed

THE SELF-EMPLOYED form a sizeable part of the working population—they are about 1.2m people paying the self-employed National Insurance contribution rate. Yet in the new State pension scheme structure, the self-employed could not be fitted into the earnings-related framework. All they can expect from the State scheme is the basic pension, irrespective of earnings during their working life.

So the self-employed have to do what our forefathers had to to if they want a reasonable pension in retirement—save for it themselves. But if they try to do it themselves, they will be hit all ways by the tax man. They will have to save out of taxed income, their investment will be subject to all forms of tax and there will be tax penalties when they cash in their investments.

But all is not lost. If the self-employed save through an approved retirement annuity scheme with a life company then they will get a helping hand from the Inland Revenue in the same manner as an employed person.

- The contributions paid (within certain statutory limits) are fully deductible from earnings for income tax purposes.
- Investment is made by the life company into a fund that is free of income and capital gains tax.
- The benefits at retirement can be taken partly in the form of a tax free lump sum and partly as pension which is taxed as earned income and not as investment income.

Privileges

These tax privileges for the self-employed were first introduced in the 1956 Finance Act and there have been further privileges added since. Yet it is estimated that only one-third of self-employed persons have taken out some form of pension contract.

Despite all that has been written on this subject, most self-employed persons are simply not aware of these tax concessions. Life companies are now using TV to get home the message. Last year Pearl Assurance on TV simply advertised its explanatory booklet on self-employed pensions and the tax concessions. The company was inundated with requests for the booklet.

How much can the self-employed put aside towards retirement? Not unexpectedly, the rules governing this are complex. The contributions made are calculated by reference to net relevant earnings — essentially the income from occupation or employment after deduction of items such as capital allowances and charges. The maximum amount that can be set aside depends on the age of the investor and is given in the table.

Year of Birth	Percentage of net Relevant Earnings	Maximum annual Contribution
	%	£
1916 or later	15	3,000
1914 and 1915	18	3,600
1912 and 1913	21	4,200
1910 and 1911	24	4,800
1908 and 1909	27	5,400
1907 or earlier	30	6,000

The sliding scale was an integral part of the tax concessions at the time of the introduction of self-employed pensions in 1956. It was to enable the older self-employed person to put aside sufficient contributions to build up a sufficient pension. Eventually, if nothing is changed, the contribution rate will be 15 per cent of net relevant earnings subject to an overriding maximum amount.

The method of claiming the tax relief on contributions is not straightforward, tending to apply to the year of assessment rather than the business year to which they relate. There are provisions for carrying forward for years when the maximum contribution has not been made.

There is complete flexibility concerning when the self-employed draws the pension. It can be taken at any time between the 60th and 75th birthday, both dates inclusive. And the person does not have to cease work in order to draw the pension. Age is the sole criterion.

This has important implications for the self-employed in planning retirement. By having a series of policies, a person can gradually ease out of his work, handing over to his or her successor, taking less from the business and supplementing income by drawing a pension on a few policies. This can be a continual process until the person has handed over completely. The pension payments themselves do not count as relevant earnings. thus they do not affect the tax relief on contributions still being paid to other contracts.

The main benefit provided by these schemes is the pension. This can be taken in many forms. It can be a level pension increasing each year at a predetermined rate. It can be on the lives of the investor and spouse payable until the second death.

The investor does not have to take the pension with the life company with which he has saved over the years. Under the "open market" option introduced in the 1978 Finance Act, he can take the cash value of his contract and buy an annuity from another life company. Almost all life companies grant this option, but apparently very little use has been made of it so far.

But as far as most self-employed are concerned, the main benefit is the option at retirement to commute part of the pension for a lump sum that is free of all taxes. Not surprisingly, this option is almost invariably exercised. The amount of pension that can be commuted is such that the cash sum produced is three times the remaining pension.

Maximise

A man retiring at age 65 can take approximately one-third of the value of the policy in cash. Life companies have, with revenue approval, ingeniously designed their contracts so as to maximise the cash sum provided.

However, so that the tax concessions are not abused, the investor cannot cash-in the contract before retirement, nor can he assign it to another party. If he or she ceases to be eligible, such as changing from self-employed to employed, then contributions cease and the contract is automatically paid up providing a reduced pension at retirement.

On death before retirement, the amount paid depends on the type of contract. Some return the contributions paid, others the contributions paid with interest, while others return nothing. The less returned on death, the higher the cash sum available on retirement.

The method of investment of the contributions depends on the type of contract taken out and the nature of the life company. Separate articles in the survey discuss in detail the investment implications of the various contracts. The whole field of self-employed pensions is complex and professional advice is essential. The sources of advice are considered separately.

Despite all this favourable treatment, the self-employed are still less better off for eventual pension than their employed counterpart. All calculations are made on the assumption that earnings levels remain static. In this case the self-employed could reach a pension of two-thirds of final earnings. But even with no inflation, the self-employed's earnings are low in his early years and rising steadily over the later years as he gets established. But that is too late to build up an adequate pension. The professional bodies, led by the accountants, have been seeking changes in the law to meet this handicap, so far without success.

A person who has self-employed earnings in addition to normal salary as an employed person is eligible for a self-employed contract in respect of those earnings. There are about 500,000 such persons.

A personal pensions contract is not solely for the self-employed. It is available to anyone who is not in pensionable employment. And those employees in the State scheme with no other pension arrangement are not regarded as being in pensionable employment. They can take out a personal pension plan to supplement the pensions provided by the State. Legal and General Assurance in its new advertising campaign is aiming at these investors, around 6m persons. National Employers Life has already endeavoured to tap this market, but very few other life companies have so far looked at it.

Eric Short

Unit-linked range of plans

ANYONE RUNNING his own business and forced to retire in 1974 would not have thanked the broker or insurance salesman who sold him a unit-linked pension plan a few years earlier. Equities in 1974, for example, were accelerating through the floor at an alarming rate, checked only when the FT 30 Share index fell below 150 the following January; property prices, meanwhile were spiralling downwards after the earlier boom; and worst of all, many feared that the whole financial system was about to collapse in ruins.

Admittedly, vast numbers of people are unlikely to have cashed in unit-linked pension plans during these troubled times. After all, the unit linked concept although dating back to 1956 in its application to pensions, only started to gather pace in the late 1960s and early 1970s and at that stage most of those who took up the idea were presumably well off retirement age. The example of 1974, however, serves to illustrate both the inherent risks of having a unit-linked pension and the dangers of having all your eggs in one basket.

Unit-linked schemes are a high risk, high reward investment. Instead of simply disappearing annonymously into a life company's coffers, your contributions are put into a fund of your own choice and, as with a unit trust, directly linked to its underlying value. Unlike traditional with and without profits schemes there are no guarantees about what you will get ou tat the end. This depends entirely on market conditions and the skill of the fund manager. If you cash your units in at the end of a bull market, you will obviously do well, if you retire at a time when the investment outlook is dull, you will obviously suffer.

Vary

Brokers vary widely in their assessments of unit linked pension plans. Some say unit linking is too dangerous and point out that it can take a long time to make up the ground lost if your units fall sharply. Oth' stress the merits, arguing that life companies have to withhold a significant proportion of their investment profits to meet the guarantees on traditional plans when times are thin. In other words, some of the profits which your contributions earn are given to somebody else at a later date who is saving for retirement when economic conditions are not healthy.

Mr. Richard Cockcroft, managing director of Towry Law Holdings, advises that in cases where the contributions are sizeable, they should be split between a unit linked and a conventional scheme. "Very often, however, people tell us quite clearly what they want. With some, security is paramount and they want a with-profits plan. Others do not trust the actuary and think they will get a better deal over the long run by going for the unit linked variety."

Professional advisers generally steer their older clients into traditional schemes but if the prospective policyholder is young the unit linked route may be better. In theory the longer term allows more time for recovery if the markets go into a dive but this is not much comfort if the dive is well under way just as you are looking forward to a pension. For this reason companies and brokers suggest that clients switch their assets into cash or fixed interest at least three years before they are due to retire. But again the best laid plans go astray and if the collapse occurs just before you make your move you are faced with an unpleasant choice—either cut your losses or leave them intact and hope for the best.

Switching, of course, is the key to getting the best out of a self-employed pension plan. The investor generally has a choice of at least five tax-exempt funds into which he or she can direct the contributions — usually property, equities, managed, fixed interest and cash. M and G, which set up a scheme in June, has seven funds altogether, adding an American and a Pacific Basin fund to the conventional range. Which medium you choose depends, of course, on the circumstances at the time.

Many small self-employed businessmen may have plenty of other things to worry about and for this reason decide to

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Obtaining investment advice

WHEN THE self-employed take out a pension contract they are making an investment. It is an on-going exercise not a one-off decision. The plan needs constant monitoring just as an investment portfolio does. This feature of self-employed pension provision is still not generally appreciated, yet it should be lesson No. 1 for the self-employed.

Unlike their employed counterparts, their ultimate pension will depend directly on how well or how badly the investments have been handled by the life companies. The limits on the amount of contributions paid mean that the self-employed *cannot* put in more money to top up an investment shortfall. With company pension schemes, the benefits are fixed and the company can put in sufficient extra payments.

This means that the self-employed need to understand the various types of plan on the market, their investment implications and what guarantees they carry. Other articles in this survey have endeavoured to set out these implications. But the latest handbook from Fundex on Self-Employed Pensions due out at the end of this month lists 98 contracts marketed by 81 life companies. The self-employed have plenty to choose from.

For investors who want a minimum of fuss and involvement, then conventional contracts from traditional life companies offer the best means of sleeping easy at nights. By their very nature the investment is entirely in the hands of the life company, investments being in a common fund of equities, fixed-interest and property.

Guaranteed

The with-profit concept means that the investor has certain financial guarantees with his investment. If the scheme funds for cash then the investor is guaranteed a steady build-up in his fund to which bonuses are added that cannot be taken away. If the scheme funds for pension then he has a guaranteed level of pension which rises with each bonus declaration.

That said, the investor still has to decide what type of plan and with which life company. The arguments for and against funding for cash are varied. But the self-employed need to discuss these with a professional adviser before making decisions. One cannot be dogmatic in selecting a life company. The competition among traditional life companies has become intense in recent years, with a consequent raising in standards and service. But one should preferably pick a company with a good past performance investment record and good prospects.

But financial guarantees have to be paid for. They mean certain restrictions in the investment policy and certain constraints on the actuary's valuation of assets and liabilities. The unit-linked policies offer no such gaurantees and *thus can offer a higher return* on average over the years.

The drawback with linked contracts is that the progression of the value of the contracts is not smooth as with a with-profits scheme, but variable around an upward trend line. This upward trend is usually better than that for a with-profits scheme but the investor needs to be careful in timing his retirement (or when he starts drawing the pension).

But an investor who ignores linked contracts is cramping his investment opportunities. Yet many self-employed are not aware that such contracts exist, or if they do they are only told of the drawbacks.

Bewildering

The investor interested in linked contracts will find an even more bewildering variety of plans available to him. The investment can be linked to an equity fund, a fixed-interest fund, a property fund, a cash fund, an international fund or a mixed fund of all investment media. He has to decide which type of fund offers the best investment possibilities without involving too much risk.

The investor can leave it to the life company by going into the mixed funds. The investment record of these funds is good in that the best managed funds show a greater growth than with-profits, while the variation in unit price is confined within small limits. The life company provides the professional investment management that maximises opportunities when the market is firm and minimises losses when conditions are adverse.

Equity investment, both here and overseas, offers the best growth prospects, but markets are extremely volatile and the unit price can fluctuate alarmingly. Property investment offers steady growth over long periods. But the property market can get overvalued as happened in 1974 and the unit price can fall substantially. Investors tend to forget this feature after a period of years in which the unit price has risen steadily. Fixed-interest investment offers *the steadiest unit price* but the potential for substantial gains is limited.

There is no doubt that a properly managed portfolio can maximise the investment returns which will ensure the best possible pension for the contributions paid. But most self-employed are too busy running their own jobs to be able to devote a lot of time and attention to learning a new trade—investment management. Their professional adviser who arranges the pension plans should be able to offer this service.

Most self-employed pension contracts are arranged by insurance brokers. Their training for the most part does not involve investment management. Yet with modern contracts investment advice is essential. The major brokers can obtain access to the necessary investment expertise. Some have even gone so far as to employ an investment expert full-time.

But the smaller broker operating in a provincial town does not have access to this expertise. Nor does he have the time to absorb the streams of investment information issued by the life companies. He tends to rely on what the local life inspector tells him — advice that is bound to vary in quality.

These are not, however, the *only* decisions that the investor has to take. He has to decide how much to put away each year for his pension.

Some self-employed persons such as actors have variable earnings. Others have steady earnings each year. The life companies have arranged their plans to cope with variable earnings. *But investors* have the option to take out regular premium contracts where the premiums can be adjusted, or a series of single premium plans.

Regular savings contracts impose a financial discipline on the self-employed in that they have an obligation to put aside a certain amount each year for their retirement. With single premium contracts that discipline is missing and the temptation is there to use the money for other purposes. On the other hand single premium contracts enable the investor to make best use of current investment opportunities.

Exercise

Properly carried out, arranging for the pension needs of the self-employed is an on-going financial planning exercise. The temperament of the investor is all important. Some investors, having worked hard for their money, are not prepared to take the slightest risk. Others are willing to accept that they can benefit from market movements.

The nervous or cautious investor should stick to the traditional with-profits contract. *This will give him a steady* return on his money with no worries until retirement. But with the new funding for cash principle, he will need to time his retirement when annuity rates are high. If he is worried on this score than he should stick to a life company that still funds for pension.

The more adventurous investor should still have a bedrock of guaranteed pension upon which he builds with unit-linked. In practice advisers tend to vary the amount invested in traditional with-profit plans between one-third and a-half. The investor needs a plan that enables *him to* switch funds easily and cheaply. If the market looks bleak then he should switch to cash. When retirement is drawing near, the investor needs also to consider whether to switch to cash.

Some insurance brokers, including some big names, still refuse to recommend unit-linked except in rare cases. They justify their action by reference to the 1974 bear market, drawing attention to the fact *that investors* who took their pension when the market was low suffered heavily. The real lesson of 1974 is that investors can safely use unit-linked but need to switch to cash when retirement is near. Those investors who did not have to cash-in during 1974 did not suffer from that bear market. Their unit price reverted to its previous levels and during the bear phase they bought units cheaply

A *mixture* of traditional and unit-linked gives the investor flexibility. He draws on his traditional contracts when markets are dull and on linked plans otherwise.

Finally the introduction of the open market option means that investors can take the cash and buy their pension from another life company. This in turn means monitoring the market for the best annuity rates.

But then insurance brokers are used to monitoring annuity rates for the best buys.

The self-employed is very much in the hands of his professional adviser. But that should not mean accepting recommendations without question or getting the broker to explain alternatives.

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Range

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put their money in a managed fund and leave it there. *Managed funds are a mixture* of equities, property and fixed interest while the detailed composition of the fund will depend on the views of the managers at a particular time. This is obviously a sensible way out for anyone who does not want to have the bother of reviewing investment conditions on a regular basis. Managed funds seem to be the most popular choice and often account for more than half a life company's self-employed pension contributions.

If you opt instead for a specialised fund like property or fixed interest, you should be prepared to take your profits *and move on to something else* when conditions change. Judging by the popularity of the managed fund only a minority of those who take out these schemes are confident enough effectively to be one of their own investment managers. Many schemes allow one free switch a year, though this may only be allowed if the assets are more than a certain total. Otherwise charges range from a quarter of a per cent to 1 per cent of the bid value of the units switched. Some brokers will provide a switching service but again this costs money while research has shown that there seems to be as much bad advice as good.

On the question of "doing it yourself" it is important to stress that the self employed should not try to build up capital for retirement through investing in his own portfolio. This is because the money invested will not, as it will if given to a life company scheme, attract tax relief at the individual's top rate. Investment income, moreover, will suffer income tax while capital gains tax has to be paid when the assets are realised. Both these problems are overcome by investing in a tax exempt fund where the interest is rolled up gross.

In the end, however, the individual must decide if his particular circumstances warrant the risks of taking out a unit linked scheme. It is all very *well to say that retirement can be deferred if the stock market* crashes but the recovery can be long and painful and what happens if you suddenly become ill? If you want to be safe at all costs, and don't want to rely on the skill of an investment manager or a steady progression in equity or property prices, then unit-linked is not for you. On the other hand, unit-linked policies offer potentially greater rewards because the life company does not have to build in provisions for meeting its guarantees.

The projections which many of the companies make in their literature can sometimes appear fairly conservative given their funds' freedom from tax. Hambro Life, which now has total funds of almost £240m and attracts annual contributions in excess of £70m, recently published a table which showed that units in both its managed and property funds have built up at well over 15 per cent a year *between their launch* in 1971 and 1977. The projected benefits, based on annual growth rates of 10 and 12 per cent, look no more than competitive with traditional schemes. But even if bonuses were to be increased dramatically, traditional companies would be hard pressed to beat Hambro's actual performances to date.

Tim Dickson

هكذا من الأصل

PENSIONS VI

Traditional schemes

TRADITIONAL self-employed pension plans are, as the name implies, aimed at those working for themselves without the benefit of a pension scheme set up by an employer. However, the market that the insurance companies are aiming at is considerably larger than the couple of million people registered as self-employed.

An employee of a company who is contracted into the State Scheme and not a member of an occupational pension plan has the right to provide for his retirement through a life company with full tax advantages. In addition, an individual who has two sources of income, with only one of them conferring the right to a pension, may be eligible to set up a scheme.

So while the self-employed are often criticised for not taking advantage of personal pension schemes — probably little more than half of them have such plans—the potential selling area for the life companies is far wider. Estimates vary but it seems likely that there are around 10m people eligible for such schemes. All the insurance companies have to do is convince them that they need to provide for the future. And the rate at which new business is being done during the last couple of years would imply that the message is getting across.

The cynic might believe that the upsurge in the market might relate to the increase in commissions to intermediaries introduced towards the end of 1975. But whatever the reason premiums nearly doubled in 1976 and rose by 40 and 55 per cent in the following two years.

Pension provisions for the self-employed started with the 1956 Finance Act, but there have been several amendments along the way. In 1971 partial cash commutation was introduced—allowing the policyholder to take around a third of his pension in a cash lump sum—and undoubtedly this caused considerably more interest from the self-employed. The most recent development came with the 1978 Finance Act which gave the right for the cash value of benefits at the date of retirement to be paid over to the investor as long as an annuity was bought on the open market. In effect this gave the self-employed the ability to "shop around" to get the best deal possible. Though annuity rates all tend to rise and fall in the same direction the rates offered by the various companies are by no means identical. So this latest move must be most welcome.

Along the way the proportion of earnings that could be set aside for the pension provision have increased. In 1956 it was £750 or 10 per cent of relevant earnings; now the figures are £3,000 and 15 per cent.

Whichever is the lowest figure is the amount of yearly premium which the Inland Revenue will allow to be offset against the highest rate of income tax paid by the particular policyholder. At retirement the pension is of course taxable, but it is taxed only as earned income and there is no liability to investment income surcharge, while any lump sum taken on commuting is tax free. Also the pension fund has a favourable tax status in that it is free of income and capital gains tax.

Of the traditional schemes, as opposed to the unit-linked policies, there are three basic types. The with-profit schemes, the non-profit and the newer building society-linked schemes. It is the with-profit schemes which are the most interesting at present because of the controversy between two schools of thought on funding.

The distinction is those companies funding for pension and those funding for cash. The majority of companies have switched over to the latter type of fund, though those retaining funding for pension argue forcefully that funding for cash is unsatisfactory for the policyholder. Before going any farther, both sides of the argument have their merits though exponents of funding for pension are definitely now in a minority. The number of large companies can be counted on one hand—the most active supporter being Scottish Provident.

The funding for cash concept is often quoted as being the easiest for the public to understand and therefore easier to sell. Possibly so, and it might well be one reason that it has a growing following among the brokers and the companies.

However, let us look at them both. When funding for cash each premium is invested in a fund and bonuses are added over the years to provide a cash sum for when the policyholder decides to retire. Each premium buys a guaranteed amount of cash at retirement and the bonuses once declared cannot be taken away.

Commenting

At the end of the day the cash sum can be used to buy a pension, or a lump sum can be taken (commuting) and the rest put towards a pension.

Funding for pension by the deferred annuity contract is where each premium buys a guaranteed amount of pension and not a guaranteed amount of cash. In the same way during the course of the policy bonuses will be added (known as reversionary bonuses) and probably a vesting bonus when the pension is taken out.

The basic disagreement between the two schools rests on what they think the self-employed policyholder wants at the end of the day. Those funding for pension say that it is pension (and a guaranteed one) that people want. That is what they are saving for and should not have to face the risk of a cash fund where the amount of pension that can be bought varies with annuity rates ruling at the time. The annuity rates —i.e., what the cash will buy in terms of actual pension per year—vary with actuarial calculated life expectancy and interest rates, the last factor obviously being volatile.

When taking out a policy the self-employed investor will be looking for some sort of prediction of what he can expect when he retires. Now the funding for pension companies will offer their view on what pension he can expect on retirement based on their calculations of what is likely to happen in the intervening years

The cash funding companies will also make their predictions and say that this is the sort of cash figure that the policyholder could end up with at retirement. The level of pension he can buy will depend on annuity rates ruling at the time he retires. Currently annuity rates are at a high level, and some illustrations offered to the public are implying that the cash sum will buy X amount of pension at current annuity rates.

Clearly no one can foresee what conditions will be like in fifteen years or so. Annuity rates could be lower and so the pension to be bought could be smaller than the illustration. The fear is that prospective investors may not fully appreciate the volatility of annuity rates. Those funding for pension argue that they can offer a better pension at the end of the day and shield the pensioner from the full volatility of annuity figures.

Policyholders should be quite aware of how much annuity rates do vary—it has been as much as 20 per cent in one year. Two identical cases having paid in the same amount but with one retiring in January and the other in June can walk away with significantly different pensions. It hardly seems equitable for the policyholder, who having entered into a contract is unlikely to give it much thought till the day he retires.

Picking the date to retire can of course increase the return. Policyholders can retire from 60 onwards to 75. However retirement early may mean getting annuity rates at the top but it will of course affect the amount you are entitled to—having paid in for fewer years. Also many people are unable to time retirement in such a convenient manner, and anyway would the policyholder be able to spot the right time.

The shopping around option given in last year's Finance Act is relevant to the argument. It does enable the individual to get the best annuity rate ruling at the time and this could offer a considerable cushion if there had been a downward movement in rates between the time of inception and retirement.

Non-profit schemes are simple, but must be of limited appeal. They are probably suitable for people only a few years from retirement, as the effects of inflation could have a disastrous impact on a pension fixed now but paid some time off. Basically the companies offer a guaranteed return calculated on a known investment. Some companies will offer the benefit of current annuity rates if these will produce a better return for the pension.

One of the newer types of schemes are those linked to building society borrowing rates. The interest is credited and rolled-over to build up a cash sum. In times of high interest rates the returns are obviously attractive.

At the end of the day it is the companies' investment performances that will dictate how well off the policyholder is on retirement. There are guarantees but these usually are very low and bear little relevance to the likely returns. Past performance is a guide of course and a prospective investor should "study form." As for cash versus pension funding . . . there is nothing to stop the individual from splitting his investment into two different funds.

Terry Garrett

Added payments by employees

EVEN THOUGH the last Budget brought reliefs for income tax payers, especially those liable to higher rates, the appeal of tax exemption on savings is still enormous. To take a simple example, if an investor liable only to standard rate income tax invests £10 a month in a building society for 10 years at an average net rate of 8.75 per cent he will accumulate some £1,890 over the period. If he can invest tax free income (effectively £14.28 a month) at a gross rate of 12.5 per cent he will finish with £3,300 at the end of the same time span.

Clearly if any saver can gain access to a tax-free investment medium he will have a strong incentive to direct his savings in this direction, especially if he bears tax at higher rates. Thanks to an Inland Revenue ruling, there may be precisely such an opportunity for members of many occupational pension schemes. The opportunity can be tapped through the payment of what are rather clumsily known as Additional Voluntary Contributions (AVCs).

The Inland Revenue requires that total contributions paid by an employee into his employer's pension scheme should not exceed 15 per cent of his gross salary; and that the total benefits provided by the pension arrangements should not exceed certain limits, an example being that the pension should not be more than two-thirds of retiring salary.

Room

Within this framework, however, there is normally room for an increase in an employee's contributions. Even where the scheme is nominally designed to provide a pension of two-thirds of final salary, for example, this is likely to include the State pension so that the private scheme is actually generating by itself significantly less than two-thirds of final salary. This leaves headroom for an AVC scheme. Moreover there is scope for taking part of the pension benefits in a tax-free lump sum at retiring age, another area where benefits can be topped up in a highly tax efficient way through payment of AVCs.

It is up to the trustees of a pension scheme to decide how to administer AVCs. Once it has been decided to offer such a facility to scheme members the trustees have to decide how to invest the money.

One possibility is that the additional contributions could simply be swallowed up in the general investment portfolio of the pension scheme. The problem is that it will be very hard to know what interest rate to attribute to the AVCs, and there will be a constant risk that AVC members are being subsidised by the main scheme, or vice versa. Moreover, the extra administration costs will be fully borne by the scheme.

For these reasons, outside institutions have moved into this area. Some insurance companies, for instance, offer facilities for AVC schemes. The advantage is that the investment rate of return is independently determined, while the insurance companies will help with administrative chores such as reclaiming tax.

Not everybody, however, may favour the normal features of an insurance company plan, whereby the investment return is not determinable in advance but is based on several components—a very low basic rate (of perhaps 4 per cent), and a discretionary annual bonus (perhaps running in present conditions at around 7 per cent). There may be a small terminal bonus as well.

Several building societies are also moving into this market, offering a high immediate return without the discretionary bonus elements of insurance plans. But they share the disadvantage that the eventual overall rate of return is not determinable because the rate applied is a fluctuating one.

The Woolwich Equitable, for example, offers the prevailing rate paid on its ordinary share accounts. This is more generous than it may look because the share rate is being paid on what are effectively deposit accounts. The share rate is quoted net of the low composite rate of tax paid by the building societies, and anyway tax cannot be claimed back by exempt investors. But the full rate of tax can be claimed back by the trustees on AVC accounts. In effect the Woolwich is offering an extra high rate in its AVC scheme to take account of the long term stability of the investment.

In choosing between such alternatives the trustees will have to consider the likely relative returns in the longer term on insurance plans on a building society investment. It could be argued that building societies are more vulnerable to political manipulation designed to keep their rates low; on the other hand, building societies have to attract funds all the time, and cannot be uncompetitive for very long.

The more fundamental question is whether long-term investments such as are entered into by insurance companies are essentially better yielding than the short term rates offered by building societies. Economic theory says that the long term rates should be higher but recent history does not always support this.

Moreover building societies point out that insurance policies are harsh towards investors who cancel the policy before it has reached full term. And it should be mentioned that building societies may offer the extra carrot that contributors will be treated as priority members when it comes to applications for mortgages.

Incidentally there has just been a new development in this sector with the marketing by the M and G group of a unit-linked AVC scheme.

Whatever the investment medium, the rewards from AVCs can be high for suitable individuals. The availability of tax relief is more important than the level of the underlying return, within reasonable limits. But there are also important drawbacks to AVCs. Chief among these is the sheer inflexibility of this method of saving. It is necessary to look very much to the long term, and in fact the benefits from AVCs are only accessible on specific occasions laid down by the trustees, such as leaving service, death or retirement. Moreover, the Inland Revenue expects AVCs to be paid on a regular basis over a number of years, and savers have to be sure that their circumstances will not change markedly for the worse.

Older

Essentially this means that AVCs are attractive for older employees within, say, 10 or 15 years of retirement who are keen to improve their pension benefits—especially if they have not been in their scheme long enough to claim the full benefits on a normal contribution basis.

For younger people the theoretical benefits may be high —any compound arithmetic done over a period of several decades at current interest rates is bound to throw up some impressive results—but there are also practical difficulties in looking a long way ahead. The younger man is much more likely to change his job, and to face other calls on his income, while it may be prudent to keep much of his savings in an easily accessible form.

As for the benefits arising from AVCs when the time at last comes to realise them, the exact form will depend on individual circumstances. The position will have to be assessed in relation to normal pension benefits from regular contributions, and the various limitations imposed by the Inland Revenue.

In essence, however, the choice will lie between a tax free lump sum and improvements in the regular pension, or some combination of the two. On retirement a person is allowed a cash sum of 1½ times final salary if he has served for 20 years or more, though there are restrictions for shorter terms. It may not be possible to pay all the AVC fund out in this way, especially if part of the regular pension scheme benefit is also taken in lump sum form. It will be necessary to juggle between the alternatives of cash and an enhanced pension in order to find the optimum package.

Barry Riley

Dow rises 8 on $ support hopes

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—31¼% (31¼%)
Effective $2.1815 10¼% (10¾%)

THE STOCK market pushed broadly higher in heavy trading, led by the oil group, as speculation continued that the U.S. would move to support the dollar.

Analysts expected profit-taking and said that if the U.S. makes no move over the weekend, the market could weaken on Monday.

Closing prices and market reports were not available for this edition.

Meanwhile, the Labour Department said the unemployment rate in September eased to 5.8 per cent from six per cent in August.

The Dow Jones Industrial Average rose eight points, topping its previous closing high for the year, and advances led declines nearly three to one on turnover of 23m shares.

The oils dominated the active list. John Smith of Fahnestock said they were the "logical investment for cash-rich funds" because of their low price-earnings ratios, good yields and because of prospects for continued strong demand for oil.

Texaco rose ⅜ to $31⅞, Mobil ⅞ to $53⅞, Gulf Oil ⅜ to $34⅞, and Exxon 1⅛ to $59⅛. Ashland Oil rose 1¼ to $39.

Masco gained ⅜ to 26⅜. A block of 123,700 shares moved at $26½ and another of 142,200 at $27. Talcott National jumped three to $11⅞ before trading ended. Talcott said it is holding talks to sell its James Talcott factors subsidiary.

THE AMERICAN SE prices rose sharply in heavy trading. The index gained 2.60 to 235.17 on a turnover of 3.84m shares. Oils were also strong.

CANADA—Share prices continued higher in Toronto in fairly active trading. The Composite Index rose 13.7 points to a record high of 1,804.6. Twelve of 14 indices advanced and gains led losses by almost two to one.

The upward trend in oil and gas issues dominated trading as Gulf Canada climbed 2⅞ to 109, Shell Canada 2⅞ to 36½, Aquitaine Canada 2½ to 45¾ and Numac Oil 1½ to 47½. Dome Petroleum rose 1⅞ to 54½, *Hudson's Bay Oil 1½ to 91 and* BP Canada ⅞ to 39.

AUSTRALIA—Stocks generally eased. There was further buying of Ansett shares which closed easier at A$1.35.

GERMANY — Most leading shares gained in lively trading. Daimler ended DM 3.50 up on Thursday's close at DM 258.50.

HONG KONG—Moderate trading. Prices closed higher and gainers included Hongkong Bank up 10 cents to HK15.20.

TOKYO—Prices closed higher in active trading, led by energy based issues. Oils rose sharply reflecting uncertain supplies. Nippon Oil rose Y100 to 1,870.

SWITZERLAND—Slow start but prices jumped on heavy volume when Swiss insurances were called. Swiss Re-Insurance led the field to show a 350-point gain for the week in spite of a 250-point drop to 6,200 as investors cashed in on the week's rally.

AMSTERDAM—Prices closed higher in light trading. Only gainer among the Dutch internationals was Royal Dutch which closed at Fls 155.80 up Fls. 0.30.

MILAN — Profit-taking took most issues lower, but a number of stocks showed sharp gains, in heavy demand.

PARIS—Share prices eased in active trading with profit takers eroding gains recorded throughout the week.

BRUSSELS — Stocks closed mixed in quiet trading. Oil shares up except for Petrofina down 10 points to 5,750.

Trawler radio line 'invaluable'

THE RADIO open line for fishermen is expected to prove invaluable this winter as weather conditions worsen, the Department of Trade said yesterday.

The line, which is funded by the Department, is intended to help fishermen keep in touch with the shore, report bad weather and get mechanical advice.

It operates during the night on 2381 Khz from coastal radio stations at Wick, Stonehaven, Oban, Humber and Lands End.

Indices

NEW YORK - DOW JONES

	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sept. 28	Sept. 27	1979 High	1979 Low	Since Compil't'n High	Since Compil't'n Low
● Industr'ls	890.10	885.15	885.52	872.85	878.58	887.48	885.94 (21/9)	807.00 (27/2)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	81.17	81.65	81.86	82.56	82.75	82.84	86.10 (15/8)	81.17 (4.10)	—	—
Transport..	262.37	260.15	258.89	256.05	260.47	262.17	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.35 (8/7/32)
Utilities.....	107.58	107.87	108.60	105.92	106.90	107.17	109.61 (25/5)	98.51 (15/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	38,590	36,650	35,380	25,050	35,950	35,240	—	—	—	—

● Day's high 895.82 low 882.25

Ind. div. yield %	Sept. 28	Sept. 21	Sept. 14	Year ago (approx)
	5.66	5.56	5.65	5.48

STANDARD AND POORS

	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sept. 28	Sept. 27	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls...	125.20	122.58	122.50	121.28	122.08	125.15	123.56 (20/9)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	110.17	108.59	108.58	108.56	109.52	110.21	110.51 (20/9)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Oct. 3	Sept. 26	Sept. 19	Year ago (approx)
Ind. div. yield %	4.99	4.97	5.06	4.79
Ind. P/E Ratio	8.15	8.18	8.04	9.59
Long Gov. Bond Yield	9.50	9.16	9.13	8.64

N.Y.S.E. ALL COMMON

Oct. 4	Oct. 3	Oct. 2	Oct. 1	1979 High	1979 Low
62.77	62.44	62.36	61.84	62.88 (21/9)	53.88 (27/2)

Rises and Falls	Oct. 4	Oct. 3	Oct. 2
Issues Traded	1,907	1,898	1,898
Rises	882	831	927
Falls	607	630	556
Unchanged	418	437	415
New Highs	140	105	70
New Lows	50	36	48

MONTREAL	Oct. 4	Oct. 3	Oct. 2	Oct. 1	1979 High	1979 Low
Industrial	327.43	324.59	321.81	316.02	327.45 (4/10)	219.19 (2/1)
Combined	310.77	308.89	306.87	302.53	310.77 (4/10)	225.80 (2/1)
TORONTO Composite	1790.9	1780.5	1771.3	1753.5	1780.9 (4/10)	1515.8 (2/1)
JOHANNESBURG Gold	357.8	(u)	417.1	409.2	417.1 (2/10)	228.4 (17/4)
JOHANNESBURG Industrial	386.0	(u)	374.3	374.1	374.5 (2/10)	270.5 (2/1)

	Oct. 5	Pre-vious	1979 High	1979 Low
Australia (‡)	675.55	684.81	692.63 (2/10)	548.72 (2/1)
Belgium (‖)	108.47	108.51	109.00 (6/7)	98.50 (3/1)
Denmark (**)	92.88	92.65	97.46 (25/7)	88.32 (8/1)
France (††)	105.7	106.5	106.6 (4/10)	71.6 (15/2)
Germany (‡‡)	768.30	782.5	839.6 (18/1)	719.4 (7/8)
Holland (§§)	74.2	75.7	85.9 (24/1)	71.3 (7/8)
Hong Kong	651.61	672.55	685.88 (3/10)	493.85 (2/1)
Italy (‖‖)	85.66	88.65	93.85 (4/10)	68.38 (2/1)
Japan (a)	458.68	456.99	465.24 (1/10)	435.13 (13/7)
Singapore (b)	425.21	422.86	423.55 (3/10)	346.34 (25/5)

	Oct. 5	Pre-vious	1979 High	1979 Low
Spain (d)	88.48	88.75	111.96 (8/5)	87.73 (4/10)
Sweden (e)	387.28	336.42	401.34 (6/2)	371.57 (24/3)
Switzerld (f)	327.1	328.7	329.1 (2/5)	294.0 (5/1)

Indices and base dates (all base values 100 except NYSE All Common — 50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable

THURSDAY'S ACTIVE STOCKS

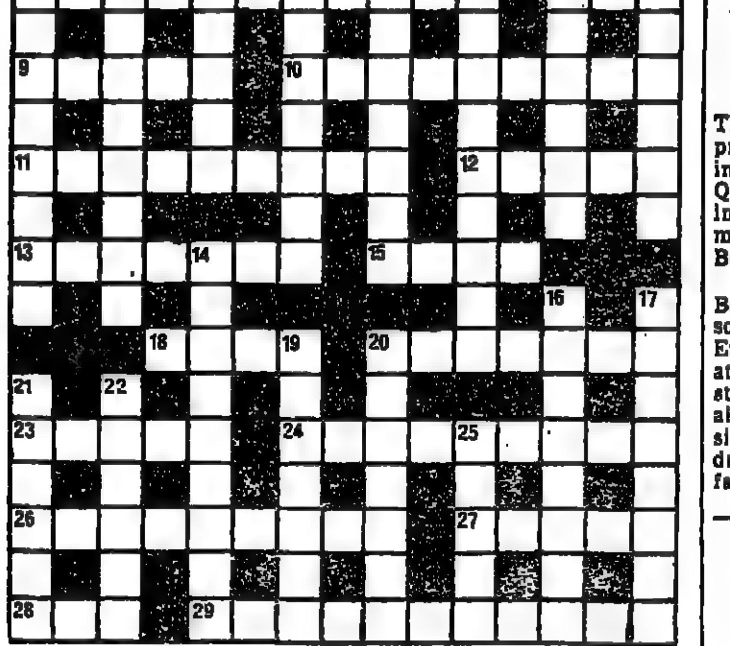
	Stocks traded	Closing price	Change on day
Texaco	552,900	31	−⅛
IU International	542,600	14⅞	−⅞
Gulf Oil	499,500	33¾	−¼
Safeway Stores	498,400	38¾	−½
Mountain Fuel	343,100	32½	+3⅛
GATX	308,400	45¾	+1⅛
Firestone Tire	304,700	10⅛	+⅛
Nat. Semicndctr.	301,700	31½	−⅞
Gulf & Western	299,600	16⅞	−⅛
Mobil	296,500	52⅞	−⅞

F.T. CROSSWORD PUZZLE No. 4,092

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



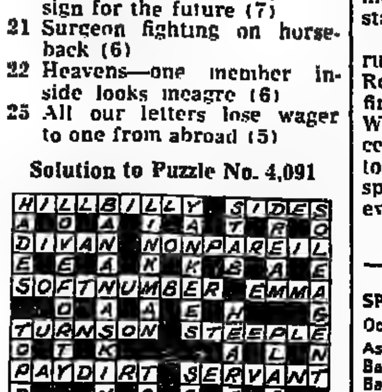
ACROSS

1 Two parts of the bird appear comprehensively (4, 3, 4)
7 Dry sort of wine for little girl Friday (3)
9 Boy wanting more tobacco (5)
10 What a man might have to collar (9)
11 Sailor's alternative set on taking in water (9)
12 Agent obtaining a rise for bakery workers (5)
13 Saving state of country's resources (7)
15 Waterloo keeps up an appearance internally (4)
18 Goddess of the hydrogen period (4)
20 Another 21 for the fish chap (7)
23 Like the botanic gardens to be awry (5)
24 Name silver worker gives to a shrew (9)
26 Tower over temporary quarters on a river abroad (9)
27 Peg is for climbing mine over . . . (5)
28 . . . the beam to the right certainly (3)
29 Accommodation professional gives eastern country spy (6, 5)

DOWN

1 Crazy people manufacturing shells (3-5)
2 Carpenter very keen on approach to green (4, 4)
3 Oil from roses comes at sailor (5)
4 Studies cathedral closely (7)
5 Concert may make it clear (7)
6 Flower for remembrance bird considers ridiculous (9)
7 Board having its ups and downs (3-3)
8 Fashion is to make a fuss (6)
14 Kind of cloth is spread out before you and I and welcome (4-5)
16 Arm first person upset over struggle (8)
17 This month incorporated Westend flair (8)
19 Get Turkish leader into disgrace (7)
20 Powerful outside right to sign for the future (7)
21 Surgeon fighting on horseback (6)
22 Heavens—one member inside looks meagre (6)
25 All our letters lose wager to one from abroad (5)

Solution to Puzzle No. 4,091



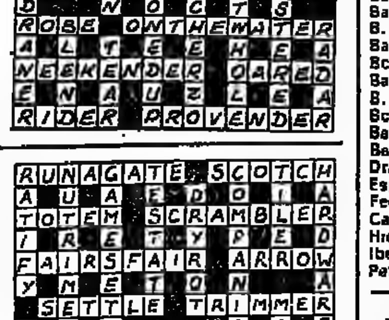
SOLUTION AND WINNERS OF PUZZLE No. 4,086

Following are winners of last Saturday's prize puzzle:

Mr. David Helme, Muscombs, Great Easton, Dunmow, Essex.

Mr. David J. Samuels, 41 Fernleigh Road, Glasgow G43.

Mr. M. Stuart, Heathway Cottage, Philpot Lane, Chobham, Surrey.



RACING — BY DOMINIC WIGAN

Bolide class can tell in Cambridgeshire

THOSE WHO left Ascot unimpressed by Bolide's performance in failing to win a place in the Queen Elizabeth II Stakes were, in my opinion, expecting too much of the chestnut son of Bolad.

In addition to the fact that Bolide was trying to match some of the best milers in Europe in a Group 2 event run at a blistering pace from the start, eight furlongs is now almost certainly on the sharp side for him—particularly in dry conditions. He should be far better suited to the stiff nine furlongs of the Cambridgeshire at Newmarket this afternoon.

NEWMARKET
1.45—Lady Oakley
2.20—Odeon**
3.00—Bolide***
3.35—Le Moss*
4.05—Eldoret
4.35—Sule Skerry

Now back in handicap company Bolide, rated at 130 in Timeform's latest Black Book, looks the one they will all have to beat in the first leg of the autumn double sponsored by William Hill. I take the Berkshire colt, who is well fancied by his trainer Dick Hern, to start what could well be the most memorable weekend in his stable's history.

Of the remainder of the 25 runners I have most regard for Romara and Borderline. The first named, whose trainer Harry Wragg has enjoyed recent successes in this race, has returned to her best form of the early spring at an ideal time with this event in view.

Borderline, who won so well on his racecourse debut here last autumn when overlooked by most backers, has run a number of good races this term. I was particularly impressed with his performance at York in the John Smith Magnet Cup. There, Mrs. Penny's stable companion, whose best performances have usually been reserved for occasions when the ground has been riding fast, finished little more than two lengths behind the winner, Tesora Mio, without taking one of the minor berths.

Swiss Maid has been a fair disappointment this season. In the belief that she is nowhere near the filly she was 12 months ago, when landing the Sun Chariot Stakes, I shall pass her over in favour of Odeon who maintains her form in remarkable fashion.

Later, in the afternoon, Odeon's trainer and jockey, Henry Cecil and Joe Mercer look set to land yet another important prize, The Jockey Club Cup with Le Moss. A year ago Buckskin won for the same combination. Although Le Moss probably finds two miles on the fast side for him now, his undoubted class should carry him through against Nicholas Bill who recently beat Nearly A Hand by three-quarters of a length in the Harrison Drape Stakes at York.

Troy may find it difficult to take advantage of a favourable number two draw in tomorrow's Prix de La Arc de Triomphe. That berth could tell against him as he tries to weave his way to the outside of the field in the last three furlongs. Trillion is another with a low draw (6) while Ile de Bourbon, Le Marmot, Topville and Three Troikas are all saddled with high draws at 20, 18, 22, and 17 respectively.

SPAIN ♥

October 5	Per cent	
Asland	103	—
Banco Bilbao	333	+ 2
Banco Central	261	− 2
Banco Exterior	249	—
B. Granada (1,000)	134	—
Banco Hispano	230	− 2
Bco. I Cat. (1,000)	145	− 2
Banco Madrid	192	—
B. Santander (250)	239	− 3
Bco. Urquijo (1,000)	203	—
Banco Vizcaya	239	− 3
Banco Zaragozano	217	—
Dragados	106	− 4
Espanola Zinc	62.50	+ 0.50
Fecsa (1,000)	58.25	+ 1.75
Gal Preciados	45	—
Hidrola	63	+ 0.25
Iberduero	57	+ 0.50
Petroliber	92	+ 0.3
Petroleos	127	—
Sogefisa	122	—
Telefonica	60	− 1
Union Elec.	65	+ 0.75

BRAZIL

Oct. 5	Price Cruz	+ or —	Cruz Div.	Yld. %
Acesita	1.28	+0.01	0.24	11.08
Bancodo Brazil	2.23	+0.08	0.11	5.00
Banco Itau PN	1.40	......	0.08	5.00
Belgo Mi'eiraOP	2.55	+0.07	0.08	3.00
Lojas Amer O.P.	3.40	−0.08	0.20	6.00
Petrobras PP	1.87	+0.12	0.13	7.00
Pirelli OP	1.50	−0.10	0.08	—
Souza Cruz OP	3.30	......	0.08	2.00
Unip PE	5.02	+0.12	0.32	6.00
ValeRioDoce PP	3.16	+0.04	0.15	5.00

Turnover: Cr.352.4m. Volume 171.0m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

◆ DM 50 denom. unless otherwise stated. ♠ Pta 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ♦ FFr 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. ≠ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

NEW YORK

CANADA

GERMANY ◆

AUSTRALIA

PARIS

STOCKHOLM

COPENHAGEN

AMSTERDAM

MILAN

JOHANNESBURG

INDUSTRIALS

TOKYO ¶

SWITZERLAND ◆

BRUSSELS/LUXEMBOURG

VIENNA

OSLO

Source: Nikko Securities, Tokyo

Financial Rand U.S.$85⅜ (Discount of 26⅜%)

Warning on profit by Thomson Brandt

By David White in Paris

THOMSON-BRANDT, the French electrical, telecommunications and armaments group, is expecting an increase in earnings this year but gives a warning that parent company net profit may, for the second year running, be declining.

The forecast is based on first half results for the parent company, which show a FFr 2m drop in the parent company's net profit to FFr 77m ($18.8m), compared with the first half of last year.

The company said that this was due to provisions made to cover the "exceptional difficulties" being encountered by the West German TV and electronic group Nordmende.

At the group level, however, overall net earnings, including the highly profitable electronics and telecommunications concern Thomson-CSF, are expected to rise again after increasing last year to FFr 390m from FFr 357m.

Two Cheung Kong directors to join Hutchison Board

BY PHILIP BOWRING IN HONG KONG

TWO DIRECTORS of Cheung Kong (Holdings) are to join the Board of Hutchison Whampoa. The two new Board members will also form part of an executive committee which will in future evaluate and approve all property deals by Hutchison.

These moves are the result of what appears to be an initial accommodation reached between Hutchison and its new principal shareholder, Cheung Kong. They follow talks between the management heads of both companies, and a Board meeting yesterday at Hutchinson.

Last week Cheug Kong acquired 22.4 per cent of Hutchison, one of the major trading houses in Hong Kong, from the Hongkong and Shanghai Bank. The transaction immediately sparked off a debate about the future of the British-run trading houses in Hong Kong as well as acrimony between Hutchison managing director, Mr. Bill Wyllie, and the bank.

Mr. Wyllie criticised the deal saying the bank, which installed Mr. Wyllie as chief executive in 1975 when coming to the rescue of the then Hutchison International, had sold out too cheaply. However, after talks between Mr. Wyllie and Cheung Kong, managing director Mr. Li Ka-Shing, and a Hutchison board meeting yesterday, it was announced that Mr. Li and another Cheung Kong director, Mr. Charles Lee, would join the board as executive directors. At present the Hutchison board has 14 members, only four of whom are executives.

The new executive committee will evaluate and approve all Hutchison group property acquisitions, disposals, developments and joint ventures. It will consist of three existing Hutchison executive directors and the two Cheung Kong nominees.

These managerial moves are expected to result shortly in proposals for joint ventures between Hutchison or its quoted property subsidiary Hutchison Properties and Cheung Kong. That would be nothing unusual for Cheung Kong which has made a specialty of joint ventures including, with partners as varied as Wheelock Marden, the Mass Transit Railway Corporation, and companies controlled from the Republic of China.

On the surface at least it seems that Mr. Wyllie and Mr. Li, both strong minded men, are at least going to try and make a go of working together. If they do not succeed a new power struggle for control of Hutchison could easily develop.

Hong Kong and Shanghai Bank sold its Hutchison shareholding to Cheung Kong for around HK$639m ($129m). Cheung Kong, the largest of the local Chinese property groups, is 60 per cent owned by Mr. Li Ka-Shing.

Turnover lift for West German retailer

By David Marsh in Frankfurt

KAUFHOF, West Germany's second largest stores group, reports a 5.5 per cent increase in group turnover to DM 5.28bn for the first nine months of 1979. In view of rising German prices and strong competition in the retailing sector, the company described the pace of business in the nine months as "satisfactory."

The parent company, Kaufhof AG, contributed DM 4.15bn to the turnover total, a rise of 6 per cent on last year or 6.2 per cent making allowance for the small reduction in the company's sales space. Kaufhalle, the company "no frills" department store subsidiary, showed growth of 8.7 per cent (5.8 per cent on the basis of unchanged selling area) to DM1.13bn.

The overall sales growth of 6.5 per cent shows strong improvement from the increase of only 2.4 per cent reported after four months

Asbestos expropriation plan awaits court ruling

QUEBEC CITY — Mr. Jacques Parizeau, the Finance Minister of Quebec said yesterday that Quebec plans to expropriate Asbestos Corporation, which is 55 per cent owned by General Dynamics Corporation of the U.S., but will delay the takeover until the Supreme Court of Canada rules on a constitutional challenge to Quebec's Language Law.

General Dynamics has challenged the Expropriation Bill as being unconstitutional for being written in French only. A ruling is expected by early November.

The company on Thursday rejected a so-called final offer by the Government for its Asbestos Corporation holdings of C$42 a share, or a total of C$62m (U.S.$53.3m). Asbestos Corporation is the second largest fibre producer in Canada.

General Dynamics has produced a study placing value of the shares at C$99.75 amounting to C$154m (U.S.$132.4m).

Trading in Asbestos Corporation stock was halted yesterday on the Toronto Stock Exchange at C$41.75 a share.

Robert Gibbens writes from Montreal. Mr. Levesque, in a speech near Quebec City late on Thursday, made it clear that the Government is still reluctant to go ahead with expropriation. There are two key appeal cases before the courts which will delay any expropriation procedures.

Mr. Levesque said that General Dynamics' statement on Thursday "criticised one of the best established and most competent investment banking firms in the U.S." He referred to Kidder Peabody, which earlier valued the Asbestos shares at C$42. General Dynamics itself had its own valuation carried out by Lazard Freres.

The first of the legal cases comes up at the end of the month when General Dynamics will ask the Quebec Court of Appeals in Quebec City for a permanent injunction against expropriation. The second case comes up in Montreal next January, when a Superior Court Judge must rule on whether or not the expropriation legislation passed by the Quebec National Assembly is constitutional or not.

GD in its own interest has used all the delaying tactics possible to avoid the expropriation move by the present Quebec Government. Industry sources believe that there is still a possibility of compromise in the long standing dispute. The Levesque Government, elected in November 1976, had made a strong commitment during the election campaign to take a major presence in the asbestos industry in the Province on the ground that too much of the resource was being shipped out for processing abroad at a heavy cost in Quebec jobs and prosperity.

Statoil sees profit in 1981

By Our Financial Staff

THE NORWEGIAN state oil company Statoil expects to record a net profit in 1981 for the first time since it was set up in 1973, according to the Petroleum and Energy Ministry. From next year, the company's investments in the Statfjord field in the North Sea will give it access to its own crude oil.

The Ministry also said that it had cut Statoil's estimates of its financing needs by NKr 100m to NKr 2bn ($408m). The Government is to inject NKr 400m into the concern, compared with last year's NKr 500m, and the remainder will be raised from loans abroad in Statoil's name but with a government guarantee as in the past two years.

Dutch insurance group purchase

BY CHARLES BATCHELOR IN AMSTERDAM

ENNIA, the Dutch insurance group, plans to take a share in and work closely with a large security systems company in the Netherlands. Ennia has begun talks with Eerste Gecombineerde Nederlandse Veiligheidsdienst, aimed at acquiring a half share in two subsidiary companies.

The two companies involved are Nab Nederland, which operates an alarm centre at Rijswijk near The Hague, and Captor Security Systems, which designs and installs fire, burglary and process protection electronic equipment.

Nederlandse Veiligheidsdienst employs 1,500 staff in the Netherlands, and in addition it operates in the UK, Belgium, West Germany, Austria and Denmark. The link with Ennia will be limited to the Netherlands. If the talks are successful, the co-operation agreement is expected to start early next year.

For Ennia, which had 1978 turnover of Fl 2bn ($1bn) and 3,000 employees, this represents a further diversification of its insurance activities, along with its move into non-insurance business such as financing, property development and holiday centres. The link will allow it to offer systems aimed at limiting fire and burglary risks as well as insurance cover. It will also offer credit facilities to finance the often expensive equipment involved.

Nobel-Bozel may be back in the black

The French pharmaceutical group Nobel-Bozel expects its 1979 consolidated accounts to show a profit—an improvement on its earlier forecast of a balanced result, AP-DJ reports from Paris. Nobel-Bozel has suffered substantial losses over the past four years.

The parent company could post a small profit, it said, but this would be due to the sale of its majority interest in Duco its subsidiary.

Suez sells Air Inter stake

BY OUR PARIS STAFF

THE SUEZ financial group is selling its minority interest in the French domestic airline, Air Inter, in a move which could herald a further reorgansation of the airline's shareholding structure.

Cie Financiere de Suez, the group holding company, is in the process of selling its 6.1 per cent stake to the shipping concern Cie de Navigation Mixte (CNM), which already holds 5.25 per cent.

This will make the shipping group the third biggest shareholder after the state's controlling interests and UTA, the private sector overseas airline.

The state's interests are held through Air France and the SNCF rail network, each holding 24.95 per cent, and Caisse des Depots et Consignations with 4.15 per cent. UTA holds 14.67 per cent. The Lazard and Paribas banking groups hold similar shares to that being disposed of by Suez.

UOB disposes of Hong Kong office building

By Georgie Lee in Singapore

THE UNITED Overseas Bank (UOB) has disclosed that its wholly-owned subsidiary in Hong Kong, UOB Finance (Hong Kong), has sold its 50 per cent share in a commercial building known as Advance Building, for HK$ 53m (U.S.$ 10.8m) cash.

The purchaser is Forda Investors of Hong Kong, which owns the other 50 per cent of Advance Building.

UOB said that 10 per cent of the consideration has been received, and the balance will be paid on completion of the sale before December this year.

UOB will realise a gain of about HK$ 31m from the sale of its interest in the building, which is located at Des Voeux Road Central, Hong Kong.

The realised gain after providing for taxation will raise UOB's net asset backing per share by 6.2 Singapore cents.

Part of the proceeds will be used to repay bank borrowings of UOB Finance (Hong Kong), and the remainder will be placed on deposit.

Strong first half sales aid recovery at Lafarge

BY TERRY DODSWORTH IN PARIS

A STRONG profits recovery at the French Lafarge group which claims to be the world's largest cement producer, has been forecast by the management this year, following a sharp upturn in sales during the first six months.

Half year figures show a consolidated turnover rising by 20 per cent to FrFrs 3.6bn ($857m) although, on a strictly comparable basis, this increase would have been cut to about 12.8 per cent.

Profits for the same period have not yet been finalised but group says that they will show a considerable improvement on last year, and should exceed those of two years' ago, which reached FrFrs 77.4m.

Last year, first half consolidated profits amounted to FrFrs 62.4m. The group is also forecasting higher dividends.

These results come only a few weeks after Lafarge sold off its stake in its packaging subsidiary, Lafarge Emballage, to the Swedish company, Billerud Uddeholm.

It said at the time that the Fr110m ($26m) raised by the deal would be put to use in developing its international business.

Robert Gibbens writes from Montreal: The Banque de Paris et de Pays-Bas has sold 189,000 shares from its holding in Power Corporation of Canada, in a move which reduces its interest to just under 400,000 shares. The shares were sold in three separate blocks in August at a price averaging C$14.75 at current exchange rates.

The French commercial bank bought into Power Corporation about two years ago and there had been speculation that it would help the Canadian company in some major expansion move. However, this has not been evident. Power Corporation is a major Montreal-based financial services, industrial and resource group which recently elected former U.S. Secretary of the Treasury William Simon to its Board.

City Investing forecasts 10% increase

By Our Financial Staff

CITY INVESTING Company, the New York-based group, expects its net income for 1979 to reach a record level at least 10 per cent up on last year's $112.4m, according to Mr. George Scharffenberger, chairman. He added that the company is looking forward to sales growth of about $1bn a year for the next five years.

In line with this forecast, Mr. Scharffenberger said that sales for 1979 would rise from $3.79bn to $5bn.

The U.S. group, which is widely diversified with interests covering insurance, housing, manufacturing, printing and oil and gas exploration, should have a return on equity of some 15 per cent this year, up from last year's 13.7 per cent, the chairman said.

A loss of some $1.6bn on insurance underwriting this year will be partly offset by investment income higher at $130m, he added.

COMMODITIES/REVIEW OF THE WEEK

Gold price is still dominant influence

BY OUR COMMODITIES STAFF

FLUCTUATIONS IN the price of gold continued to be the dominant influence in the base metal and commodity markets this week. But there were signs of fundamental supply-demand developments in individual markets starting to assert themselves again.

Copper, however, remained very much under the influence of the movements in the gold and silver markets. On Tuesday prices surged to a five-year peak of well over £1,100, but then fell back in line with copper to £980. However as gold recovered yesterday, so did copper. Cash wirebars closed £15 up on the day at £1,014 a tonne, still £56 down on a week ago.

Tin prices also fluctuated wildly during the week. Forecasts of a sharp drop in LME warehouse stocks boosted the cash price yesterday by £140 to £7,340 a tonne. But this was still £35 lower on the week as a result of earlier losses.

Lead defied the downward trend. Strong buying interest at the end of the week renewed fears of a nearby shortage of supplies developing again, and the cash price ended the week £44.5 up at £633 a tonne after having traded at £586 on Wednesday.

Aluminium prices too were bolstered by a squeeze on nearby supplies, with LME warehouse stocks predicted to fall heavily. The cash price yesterday jumped by £52.5 to £840 a tonne—a record for the LME.

Silver had a quieter week. The London bullion spot quotation yesterday at the morning fixing was 701.2p a troy ounce, 38.2p down on the week, after reaching 825p on Tuesday. Free market platinum after rising to an all-time peak of £283.1 also came back steeply closing last night £17.5 lower on the week at £241.65 a troy ounce.

News that an international agreement for natural rubber had been finally concluded in Geneva yesterday had little impact on the market. It was pointed out that the "ceiling" price under the agreement is well below the current market level. In any event the Agreement is not likely to be operational for 18 months.

A higher-than-expected U.S. Cocoa grind for the third quarter of the year took the London market by surprise yesterday afternoon and boosted values

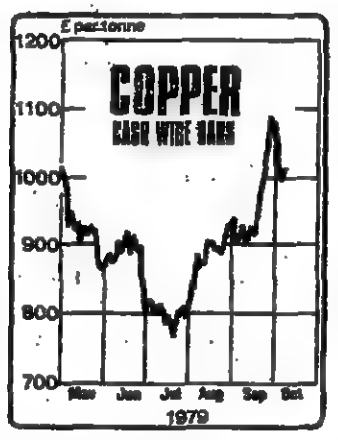
Grindings were 12.1 per cent higher than in the comparable part of last year—45,636 short tons compared with 40,715 tons, the U.S. Chocolate Manufacturers' Association said. Earlier, traders in London had forecast an increase of only 5 per cent.

March cocoa, after touching £1,515 a tonne during the day faded later to close at £1,509.50, up £13.50 on the day but £9 a tonne lower than last Friday's

Sugar, which was particularly affected by the spin-off of activity in the gold market during the week, rose sharply yesterday on reports that "tens of thousands of acres" of Cuban sugar were threatened by disease.

This was £7.70 a tonne higher than last Friday's close and £9.125 up on the previous day. Daily price for raw sugar was raised £2 a tonne yesterday to £125, compared with £121 last Friday.

On Wednesday the EEC Commission made the most of the higher sugar prices on the world market by issuing export licences for 60,000 tonnes compared with 44,240 tonnes the previous week. Higher world prices mean that the Community can save on export subsidies.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
METALS					
Aluminium	£710/50	—	£710	£730	£710
Free Markets c.i.f.	$1630/1650	+10	$1070/90	$1,640	$1,210
Antimony					
Free Market 99.6%	$3050/3125	+37.5	$2,460/500	$3,300	$2,712.5
Copper Cash Wire Bars	£1,014	—56	£753	£1,090.5	£769
3 months Do. Do	£1,016.5	—60	£772.25	£1,093.5	£783.75
Cash Cathodes	£992.5	—51	£741	£1,052	£744.5
3 months Do	£999	—57.5	£760.25	£1,057	£767.25
Gold per oz	$387.5	—10.5	$225.375	$398.00	$216.625
Lead cash §	£633	+44.5	£419.25	£701.5	£456.75
3 months §	£616.5	+28	£407.75	£642.5	£420.75
Nickel	£3,060.62	+101.62	‡	£3,225.4	£2,320.69
Free Market c.i.f. lb.	260/265c	+7.5	$178/90	340c	186c
Platinum per oz.	£181.0	—	£130	£181.0	£102
Free Market per oz.	£241.65	—17.15	£149.65	£283.10	£166.65
Quicksilver (76lbs.)	$335/355	+5	$120/25	$355	$150
Silver per oz.	701.20p	—38.2	294.95p	850.50p	269.4p
3 months per oz	720.40p	—38.5	302.35	877.00p	303.7p
Tin cash	£7,340	—35	£7,555	£7,957.5	£6,320
3 months	£7,067.5	—77.5	£7,128.5	£7,317.5	£6,365
Tungsten Ind	$142.56	+1.63	$142.94	$145.56	$127.94
Wolfram (22.04 lb)	$142/146	—1.5	$142/47	$144/149	$120.5
Zinc cash	£341	—13.5	£362.75	£408.5	£276.5
3 months	£349.5	—14	£369.75	$423.5	£286.25
Producers	$780	—	$675	$845	$750
GRAINS					
Barley					
Home Futures	£98.15	—1.45	£85.8	£96.15	£85.8
Maize					
French No. 3 Yellow (Amer)	‡	—	£103	£113	£105.5
WHEAT					
No. 1 Red Spring	‡	—	£93.3	£99.0	£92.0
Am. Hard Winter	£104.85	—.005	£84.85	£106.4p	£83.5
Eng. Milling (new crop)	‡	—	£91	£107.5	£43.5
SPICES					
Cloves (g)	£3,770	—	£3,975	£3,975	£3,850
Pepper, white	$2,900x	—	$2,900	$2.850	$2 600
" black	$2,000x	—	$1,900	$1.850	$1 660
ILS					
Coconut (Philippines)	$930x	+50	$775	$1,175	$805
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£408	—26	£320	£441	£386
Palm Malayan	$660 w	—5	$610	$720	$610
EDS					
opra (Philippines)	$607.5z	+7.5	$535	$745	$600
oyabeans (U.S.)	$301.5	+0.65	$278	$350.45n	$28352
IER COMMODITIES					
coa Shipment	£1,581	—17	£2,021	£2,041	£1,455.2
2nd psn.	£1,509.5	—9	£1,971.5	£1,990.5	£1,330.5
ffee Futures Nov.	£1,906.5	+12	£1,557.5	£2,089	£1,298.5
ton Index	78.00c	—0.4	75.15c	78.85c.	72.5c
Coconut	£700	—	£640	£740	£700
LJ ABW C grade	£226w	—	£503	‡	‡
ber kilo.	62.50p	+1.25	62.5p	67.750p	65p
Pearl	£202w	—	£178	£195	£178
No. 3 L.	$885	—	$630	$850/75	$515
r (Raw)	£125.00	+4	£110	£127.0	£92.5
oca No. 1	£197w	—	£169	£201	£167
quality kilo	145p	—	170p	138p	123p
plain kilo	62p	—2	79p.	82p	60p
tops 64s Warp	289p kilo	+12	276p kilo	291p kilo	262p kilo

...nnel. ‡ Unquoted. (g) Madagascar. (y) Oct. (x) Oct./Nov. (z) Nov. ...Jan.

MARKET REPORTS

BASE METALS

COPPER—Gained ground on the London Metal Exchange in more restrained trading than early in the week. There was good support for forward metal around £990 and, with the trade buying under £1,000, the price moved ahead. A higher New York opening, the virtual disappearance of the contango, and the firmer gold price took the price to a high of £1,019 before a close on the Kerb of £1,015. Turnover 12,800 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	998-1000	—5	1013-5	+15
3 months	1001-2	—7.5	1016-7	+11
Settlem't	1000	—5	—	......
Cathodes				
Cash	972-5	—9	991-4	+20
3 months	983-4	—10	998-1000	+18.5
Settlem't	975	—8	—	......
U.S. Smt.	—	......	105-10	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £1,000, 998, 99, 98, 95, 97, 98, 1,000, 999, 98, 96, 97, 98, 99, 1,000, 01. Cathodes, three months £980, 81, 82, 84, 85, 84. Kerb: Wirebars, three months £1,007, 05, 06, 07, 08. Afternoon: Wirebars, three months £1,019, 17, 16, 17, 14, 11, 10, 12, 15, 16, 17, 18, 17, 16. Cathodes, three months £998. Kerb: Wirebars, three months £1,015, 18, 19, 18, 17, 19, 18, 17, 18, 17, 16, 15, 14.

TIN—Higher with the market given initial stimulus by a predicted fall in warehouse stocks and a smaller decline than expected in the East overnight. Forward metal lifted from £7,000 to £7,090, came back on hedge selling to £7,030, before lifting on U.S. physical interest to £7,100. The close on the Kerb of £7,090. Turnover 845 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7360-90	+95	7520-60	+140
3 months	7020-40	—78	7065-80	+27.5
Settlem't	7390	+90	—	......
Standard				
Cash	7320-40	+40	7320-60	+140
3 months	7020-30	—75	7065-70	+27
Settlem't	7340	+40	—	......
Straits. E.	$1995	—10	—	......
NewYork	—	......	—	......

Morning: Standard, three months £7,080, 90, 80, 20, 30. High Grade, cash £7,390. Kerb: Standard, three months £7,080. Afternoon: Standard, three months £7,070, 60, 70, 65, 70. Kerb: Standard, three months £7,090, 7,100, 7,090.

LEAD—Rose steadily as trade buying of cash widened the backwardation. The market was also helped upwards by a predicted fall in warehouse stocks and the rise in copper. Forward metal went up from £590 to £621 before profit-taking clipped gains. The close on the Kerb was £614. Turnover 6,400 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	630-1	+25.5	632-4	+29
3 months	609-11	+13.5	616-7	+17.5
S'ment	631	+23	—	......
U.S.Spot	—	......	*58	......

Morning: Cash £620, 28, 27, 30, three months £603, 04, 03, 05, 04, 03, 04, 08, 10, 11, 08, 08, 09. Kerb: Three months £612, 11, 10, 09, 10. Afternoon: Three months £618, 20, 21, 20, 19, 20, 19, 17, 18, 19, 20, 18, 19, 18, 17, 16. Kerb: Three months £620, 19, 18, 17, 16, 15.

ZINC—Higher, following lead, in routine trading. Forward metal went from £344 to £356 and then fell on profit-taking to a close on the Kerb of £35.5. Turnover 4,375 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	341-5	+4	340-2	+5
3 months	350-1	+3	349-50	+5
S'ment	343	+4.5	—	......
Prim w'st	—	......	*35-7	......

Morning: Three months £346, 47, 46, 48, 51, 50, 49, 50. Kerb: Three months £351, 50, 49. Afternoon: Three months £358, 53, 52, 51, 49, 48, 49, 50. Kerb: Three months £349, 50.

ALUMINIUM—Lifted throughout the day in a market dominated by the tightening nearby situation and initially spurred by reports of Ford's intention to use more aluminium in car production. Forward metal rose from a start of £750 to a close on the Kerb of £770.5. Turnover 5,250 tonnes.

Alumn'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	812-20	+18.5	835-45	+52.5
3 months	769.5-60	+3.75	768-9	+22

Morning: Three months £763, 64, 57, 58, 59, 60, 59.5. Kerb: Three months £759, 60. Afternoon: Three months £765, 66, 67, 68, 68, 69. Kerb: Three months £771, 72, 73, 72.

NICKEL—Moved narrowly in routine trading as forward metal rose from a start of £2,730 to a close on the Kerb of £2,760. Turnover 372 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2765-65	+15	2750-70	+25
3 months	2740-55	+7.5	2750-60	+20

Morning: Cash £2,760, three months £2,730, 40, 50. Kerb: Three months £2,750. Afternoon: Three months £2,760, 65, 60. Kerb: Three months £2,760.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 18.65p an ounce higher for spot delivery in the London bullion market yesterday at 701.2p. U.S. cent equivalents of the fixing levels were: spot 1,530.0c, up 40.0c; three-month 1,570.0c, up 40.5c; six-month 1,601.0c, up 39.3c; and 12-month 1,657.0c, up 36.4c.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	701.20p	+18.6	735.0p	+26.8
3 months	720.40p	+18.3	751.0p	+25.5
6 months	735.70p	+18.2	—	......
12months	764.30p	+18.1	—	......

LME—Turnover 184 (256) lots of 10,000 ozs. Morning: Three months 710, 25, 28, 30. Kerb: Three months 730, 20, 30. Afternoon: Three months 745, 55, 60, 55, 50. Kerb: Three months 745, 40, 35.

COCOA

Values were initially easier as expected against the New York close, but sellers were reluctant and the market soon moved back to unchanged. Physicals were neglected. Trading remained quiet until mid-afternoon when the announcement of U.S. third-quarter grindings at 12.1 per cent up caused a rally where prices closed near the highs of the day, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Dec.	1494-1496	+16.0	1502-1470
March	1509-1510	+16.5	1515-1485
May	1528-1530	+12.0	1538-08
July	1550-1551	+7.5	1557-35
Sep	1573-1575	+8.5	1575-70
Dec	1599 1600	+8.5	1600-1599
March	1615-1645	+12.5	—

Sales: 3,424 (4,030) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price Oct. 4, 145.05 (147.78); Indicator price Oct. 5, 15-day average 147.17 (147.47); 22-day average 147.10 (146.94).

GRAINS

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Oct. 107.10, Nov. 105.35, Dec. 109.50 transhipment east coast. U.S. Hard Winter 13½ per cent Oct. 104.85, Nov. 105.75, Dec. 106.25 transhipment east coast. EEC unquoted. Maize: U.S./French unquoted. S. African White unquoted. S. African Yellow Oct./first half Nov. 78.50, second half Nov. 79.00. Barley: English Feed fob Oct. unquoted Oct./Dec. unquoted Jan./March 104 east coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

WHEAT Mnth.	Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Nov	96.00	—0.10	94.00	+0.70
Jan	100.30	—0.20	98.15	+0.75
Mar	103.60	—0.25	101.55	+0.75
May	106.90	—0.20	104.60	+0.50
Sept.	98.00	+0.50	94.75	+0.65

Business done—Wheat: Nov. 96.00-95.70, Jan. 100.30-100.00, March 103.60-103.50, May 106.90-106.65, Sept. no trade. Sales 141 lots of 100 tonnes. Barley: Nov. 94.00-93.45, Jan. 98.15-97.65, March 101.55-101.15, May 104.60-104.30, Sept. no trade. Sales 217 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 97.50, E. Midlands 95.00. Feed barley: Eastern 89.90 E. Midlands 88.70; N. East 90.50 Scotland 87.60.

The UK Monetary Coefficient for the week beginning Monday, October 8, is expected to remain unchanged.

COFFEE

Robustas opened £18 higher. November, in quiet conditions but was soon met by mixed resistance. Throughout the day, dealings were mixed with slight commission house selling holding the market in mid range. In fair volume some support was felt towards the close, reported Drexel Burnham Lambert.

COFFEE	Yesterdays Close £ per tonne	+ or —	Business Done
November	1858-70	+12.5	1880-57
January	1905-06	+11.0	1910-97
March	1875-77	+6.5	1880-68
May	1856-59	+6.5	1861-53
July	1846-51	+8.0	1849-46
Sept	1830-45	+8.0	1849-45
November	1810-40	+8.0	—

Sales: 4,442 (4,346) lots of 5 tonnes.

ICS indicator prices for October 4 (cents per pound): Other Mild Arabicas 211.67 (211.00). Robustas ICA 1976 191.25 (192.00). ICA 1968 191.50 (192.25). Unwashed Arabicas 211.50 (211.00). Comp. daily ICA 1968 206.11 (205.82).

RUBBER

The London physical market opened easier and was quiet throughout the day, closing on a steady note. Lewis and Peat reported a Malaysian godown price of 284.5 (286) cents a kg (buyer, October).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Nov.	62.70-63.00	62.20-62.50	62.50-62.00
Dec.	64.10-64.50	65.45-65.60	—
Jan-Mar	66.60-66.70	65.80-65.85	66.60-65.80
Apr-Jne	69.45-69.50	68.85-68.70	69.60-68.50
Jly-Sept	71.95-72.00	71.20-71.30	71.85-71.20
Oct-Dec	74.65-74.80	73.70-73.75	—
Jan-Mar	77.15-77.20	76.35-76.40	76.15-76.80
Apr-Jne	79.70-79.75	78.80-78.10	79.75-78.70
Jly-Sep	82.20-82.25	81.55-81.80	82.20-81.80

Sales: 281 (742) at 15 tonnes, 5 (13) at 5 tonnes.

Physical closing prices (buyer) were: Spot 62.50p (62.00p) Nov. 66.40p (65.5p); Dec 66.75p (66.50p).

SOYABEAN MEAL

The London market opened slightly [illegible] Roddick. Buying interest was reserved ahead of forecasts for favourable weekend harvest weather which may put additional pressure on the market.

	Yest'rd'y Close £ per tonne	+ or —	Business Done
October	114.00-17.0	—1.10	—
December	121 10-21.8	—0.65	122.00
February	124.50 24.4	—0.85	124.70-24.30
April	125.20 28.2	—0.85	126.00-25.80
June	125 80-27.0	—0.80	—
August	126.00-29.8	—0.50	—

Sales: 12 (71) lots of 100 tonnes.

WOOL FUTURES

LONDON GREASY WOOL—Close (in order buyer, seller only). Oct. 232.0, unquoted; Dec. 218.0, 238.0; March/May/July/Oct./Dec./March 228 0, 238.0.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). Oct. 195 0, 209.0; Dec. 195.0, 206 0, March/May/July/Oct./Dec./March 200.0, 206 0.

SYDNEY GREASY WOOL — Close (in order buyer, seller, business, sales). Micron contract: Oct 445 0, 450 0, 450.0-450.0, 0; Dec. 456 0, 458 0, 455 0-448.0, 83; March 468.5, 469.5, 470.0-462.5, 159; May 471 0, 473.0, 471.0-462.0, 184; July 470.0, 472 0, 472 0-462 0, 79; Oct. 468.0, 472.0, 466.0-460.0, 32; Dec. 468.0, 470.0 466 5-463.0, 23, March 470.0, 471.0, 470.0-462.5, 81. Sales: 847.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 115 tonnes, bringing the total for the week to 692 tonnes against 413 tonnes in the previous week. Slow tone continued with few signs of increasing activity among users. Attention was mainly centred on African and North American styles.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on October 5 GB—Cattle 73.61p per kg l.w (+1.09). UK—Sheep 124.4p per kg.est.d c w. (−4.8). GB—Pigs 73.8p per kg l.w. (+4.5). England and Wales: Cattle numbers up 1.1 per cent, average price 73.1p (+0.8). Sheep up 10.1 per cent, average 124.6p (−5.2). Pig down 0.2 per cent, average 73 8p (+4.5). Scotland: Cattle down 9.3 per cent, average 76.89p (+2.48) Sheep down 59.0 per cent, average 119.1p (−5.0).

AMERICAN MARKETS

NEW YORK, October 5.

THE PRESSURE on silver continued in anticipation of actions supporting the U.S. dollar. However, the limit decline in silver contrasted sharply with the good rally in gold. Gold prices turned around because the Government has not acted yet. Limit declines or major setbacks continued in the livestock complex as bearish fundamentals persist. Copper advanced sharply on trade buying, with bullish prospects generated by declining stocks in users' hands. Sugar was up the limit on reports of serious setbacks to the Cuban crop and on indications that the Soviet Union was buying sugar from Brazil. Speculative buying, in sympathy with gold, moved cocoa moderately higher.

Copper—Oct. 101.70 (98.90), Nov. 102 40 (99 50), Dec. 103.00-103.50, Jan. 103.80, March 103.40-103.70, May 103.80, July 103.85, Sept 103.90, Dec. 104 00, Jan. 104 06, March 104.15, May 104 25, July 104.35, Sept. unquoted.

*Gold—Oct 385 00 (389 70), Nov. 387.10 (377 70), Dec. 391 00-393 90 Feb 399.00-401 00, April 407.50-409 00, June 415.70, August 423 30, Oct 430.70, Dec. 430 00, Feb. 445.10, April 449.50, June 458.10, August 466.10. Sales: 21,000.

*Platinum—Oct. 510.00 (520.00), Nov. unquoted (unquoted), Dec. unquoted, Jan 538.30, April 542 30, July 548.00, Oct. 553 00, Jan. 557.20, April unquoted. Sales: 1,474.

Potatoes (round whites)—Nov. 63 0 (62.8), March 79.2 (76.2), April 100.0, May 108.1. Sales 595.

*Silver — Oct. 1590.01-1595.01 (1530 0), Nov. 1630.0 (1670 0), Dec. 1651.0, Jan. 1663.0, March 1691.0, May 1701.5, July 1712.0, Sept 1722 5, Dec. 1739.0, Jan. 1745 4, March 1755.9, May 1765.9, July 1775 9, Sept. unquoted Handy and Harman bullion spot 1580.00 (1545.00).

Tin—750.00-798.00 asked (750.00-779 0).

CHICAGO, October 5

Lard—Chicago loose 25.00 (same). New York prime steam unavailable.

Live Cattle—Oct 66.45 (67.95-66 45), Dec. 70.32 (71.82-70.32), Jan. 70 05, Feb. 70 10, April 70 20, June 71 25, August 70 35-70 25, Oct. 69.10, Dec. 70.30. Sales 6,264.

Live Hogs—Oct. 34.35-34 40 (34.72-34.37), Dec. 34 80-34.90 (36.15-34.85), Feb. 37.35-37.40, April 36.15-36.10, June 38.75, July 40.80, August 40.00, Oct 38.25, Dec 41.35. Sales 7,440.

‡Maize — Dec. 288¾-288½ (290½). March 302-301¾ (304¼), May 310-310¼, July 314¼-314, Sept. 317, Dec. 317½-317¼.

Pork Bellies—Feb 42 30-42.40 (43.95-42.35), March 42.45-42.50 (4.12-42.47), May 43.45-43.60 July 44.70, August 43.45 Sales 5,188.

‡Soyabeans—Nov 711-710 (713), Jan. 728½-727 (728¼), March 743½-745, May 760-760½, July 769½, August 772, Sept. 766½, Nov. 765.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce ‡‡ Cents per 56-lb bushel † Cents per 60-lb bushel || $ per short ton (2,000 lbs). § $Can. per metric ton §§ $ per 1,000 sq feet. ‡ Cents per dozen.

Thursday's closing prices

Cocoa—Dec. 139.95 (143.65), March 141.05 (144.25), May 142.70, July 144.50, Sept. 146.50 Dec. 32.63, March unquoted. Sales: 912.

Cotton—No. 2: Oct. 65.20-65 40 (65.15), Dec. 65 30-65.45 (65 27), March 66.08-66.14, May 67 21-67.22, July 68.30, Oct. 69 00-69.15, Dec. 69.50-69.60, March 70 00-71 78. Sales: 4,050.

Orange Juice—Nov 108.25 (109.00), Jan. 107.20 (107.95), March 107.70, May 108.25, July 108.75, Sept. 109.25, Nov 108.35, Jan. 106 00, March 104.50. Sales: 450

Sugar—No. 11: Jan. 11.30-11.40 (11.30), March 11.88-11.89 (11.84), May 12.13-12.14, July 12 40, Sept 12.77, Oct 13.00-13.02, Jan. unquoted, March 13.95

INDICES

FINANCIAL TIMES

Oct. 4	Oct. 3	M'nth ago	Year ago
302.45	303.18	286.81	258.71

(Base: July 1, 1952=100)

MOODY'S

Oct. 4	Oct. 3	M'nth ago	Year ago
1164.2	1174.5	1104.2	983.6

(December 31, 1931=100).

DOW JONES

Dow Jones	Oct. 4	Oct. 3	Month ago	Year ago
Spot	416.28	419.48	401.27	395.12
F'tur's	425.75	428.68	405.86	393.23

(Average 1924-25-26=100)

REUTERS

Oct. 5	Oct. 4	M'nth ago	Year ago
1657.5	1653.1	1577.5	1511.3

(Base: September 18, 1931=100)

SUGAR

LONDON DAILY PRICE (raw sugar), £125.00 (£123 00) a tonne cif for Oct-Nov shipments. White sugar daily price was £133 50 (£132 00).

The market was in a buoyant mood today. First trades were £100 above overnight closing levels and prices gradually moved higher with gains of £5.50 finally recorded on heavy trade short-covering coupled with fresh commission house speculative buying. The report of a buying tender in Iran over the next weekend for 100,000 tons aided the better sentiment, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close £ per tonne	Previous Close	Business Done
Dec.	154.50-55.00	150.20-50.40	158.50-50.75
March	144.40 44 50	135.60-35.70	144.50-36.25
May	146.50-45.70	158.10-38.25	147.25-38.50
Aug.	149.75-50.00	141.40-41.50	149.75-41.80
Oct.	153.75 53.90	145.30-45.40	153.75-45.80

Sales: 7,152 (4 411) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £304.95 (same) a tonne for home trade and £195.00 (£193 00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Oct 4 Daily price 10.72 (10.89): 15-day average 10.20 (10.14).

Stock Exchange dealings

Thursday, October 4 20,788
Wednesday, October 3 18,590
Tuesday, October 2 17,852
Monday, October 1 16,687
Friday, September 28 17,534
Thursday, September 27 18,560

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 3.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. & Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—

Arbuthnot Latham Hldgs. 157 (1/10)
Australia N.Z. Bkg. ($A1) 236 30 2
Bk. America Con. ($US1) 14¼ (28/9)
Bk. Leumi-LeIsrael B.M. (I£1) 10 (1/10)
Bk. Ireland 325. 7pcLn. 62½ (28/9). 10pcUnsecd.Ln. 152 (28/9)
Bk. Montreal ($C2) 11 3/16 (1/10)
Bk. N.S.W. (Lon. Reg.) ($A1) 169 75. New ($A1) 55⊕
Bk. Scotland (Governor Co.) 2800 3
Barclays Bk. 449⊕ 900 4 3 2 47 53⊕ 9. 8¼pcUnsecd.Ln. 72¼ (3/10)
Brown Shipley Hldgs. 253
Can. Imp. Bk. Commerce ($C2) 11 11/16 (1/10)
Cater Ryder 344 5 7
Citicorp ($US4) 11⅞
Clive Discount Hldgs. (20p) 102
Commercial Bkg. Sydney ($A1) 157 2
Deutsche Bk. Br. (DM50) 72⊕
Gerrard National Discount (25p) 261 3 (3/10)
Gillett Bros. Discount 220 (1/10)
Grindlays Hldgs. (25p) 103 2
Guinness Peat Grp. (25p) 1110 10
Hambros (£10. £2½ pd.) 31½⊕. Shs. (25p) 355
Hill Samuel Grp. (25p) 99. Wrrnts. 90
Hongkong Shanghai Bkg. ($HK2.50) 162⊕ 53 5
Jessel Toynbee (25p) 81 (3/10)
Keyser Ullmann Hldgs. (25p) 73

Berwick Timpo (25p) 78 (1/10)
Bestobell (25p) 190 ½
Bestwood (15p) 160 (28/9)
Bibby (J.) Sons (50p) 158 61 (3/10). New (50p) 162 (3/10)
Birmid Qualcast (25p) 39½⊕ 40½
Birmingham Mint (25p) 167 (3/10)
Birmingham Pallet Grp. (10p) 56 (2/10)
Bishop's Stores ANon-Vtg. (25p) 132 (1/10)
Black Edgington (50p) 70 (3/10)
Black Arrow Grp. (50p) 35 (1/10)
Black (Peter) Hldgs. (25p) 253 (2/10)
Blackman Conrad (20p) 14½ (1/10)
Blackwood Hodge (25p) 40⊕
Blagden Noakes Hldgs. (25p) 134½⊕ 1½⊕
Bleeford Confectionery Hldgs. (25p) 78 (3/10)
Blue Circle Industries 284⊕ 10 1 4 5 2 6. 6pcDb. 61¼ (1/10). 7pcDb. 65¼ (3/10)
Blundell-Permoglaze Hldgs. (25p) 95 (2/10)
Boardman (K. O.) Intnl. (5p) 16½⊕
Bodycote Intnl. (25p) 112½ (1/10)
Bolton Textile Mill (5p) 21⊕
Bond Street Fabrics (10p) 30 (3/10)
Booker McConnell (50p) 320 (3/10)
Boosey Hawkes 7pcPf. 52 (2/10)
Boot (Henry) Sons (50p) 122 (1/10)
Boots (25p) 193 4 2 1 5. 6pcLn. 80⊕ 1½. 7½pcLn. 66½⊕

Container park to be resurfaced

THE MERSEY DOCKS and Harbour Company announced yesterday a £250,000 resurfacing programme at the Royal Seaforth Dock container terminal Crosby.

It is the latest phase of a large-scale development to improve efficiency at one of the major points in the North Docks system.

Tarways Asphalte, of Liverpool, will do the work in stages to minimise the effect on operations at the terminal. It is expected to be completed early in the New Year.

SINGAPORE

Oct. 5	$	Oct. 5	$
Industrials		Straits Tms 1978) Ltd...	—
Boust'ad Co	—	Straits Trdg	—
Boust'ad Bd	—	Times Pub. Berhad	—
Bovis.........	†0.44	Tractors.....	—
Chemical ...	—	U. Engin'ers	—
Cold St'r'ge	—	U. Ov's Bk...	—
Dunlop	†4.85	Wearnes.....	2.69
Esso.........	—	Rubbers	
Fraser Nave	—	Btu.Lintang	—
Haw Par.....	—	Dunlop Est.	—
Hume Ind...	2.27xd	Kampas......	—
Inchcape ...	—	Tins	
Jacks (Wm.	—	Austral.Am.	—
Malay Brew	—	Berjuntai ...	—
Malay Cemt	†3.40	Kampar......	†4.20
Met.BxSing	—	Kuchai	†1.79
Ov'sChinBk	—	Lower Perak	†5.14
Pan El'ctric	1.59	PetalingTin	11.00
Robinsons...	2.48	SupremeCp	1.95
Rothman....	4.72	Tongkah Har.	4.80
Shell.	3.92xd		
Sime Darby	—		
SraitsSte'm	—		

† Bid. ‡ Seller.

GLC to appoint arts director

LORD BIRKETT will be recommended as the first Greater London Council director of recreation and the arts at the policy and resources committee meeting next Tuesday.

If the appointment is confirmed, the director will run the department of recreation and the arts, which will co-ordinate the GLC's support of the arts, leisure and recreation.

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at September 28, 1979, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at Sept. 28, 1979 (£m.)	% of all share index	Market capitalisation as at June 29, 1979 (£m.)	% of all share index	Market capitalisation as at March 30, 1979 (£m.)	% of all share index
1 CAPITAL GOODS GROUP (172)	10,285.5	14.56	10,059.2	14.72	11,164.4	15.30
2 Building Materials (27)	1,972.4	2.79	1,846.3	2.70	2,038.3	2.79
3 Contracting, Construction (28)	924.6	1.31	863.6	1.26	1,010.8	1.38
4 Electricals (15)	3,298.0	4.67	2,888.3	4.23	3,239.1	4.44
5 Engineering Contractors (12)	506.9	0.72	553.9	0.81	582.2	0.80
6 Mechanical Engineering (74)	2,442.5	3.46	2,754.7	4.03	3,071.2	4.21
8 Metals and Metal Forming (16)	1,139.1	1.61	1,152.4	1.69	1,222.6	1.68
11 CONSUMER GOODS (DURABLE) GROUP (52)	3,116.1	4.41	3,048.7	4.46	3,251.3	4.46
12 Lt. Electronics, Radio, TV (15)	2,108.0	2.99	1,972.3	2.89	2,082.6	2.86
13 Household Goods (14)	208.2	0.29	192.4	0.28	210.5	0.29
14 Motors and Distributors (23)	799.9	1.13	884.0	1.29	958.1	1.31
21 CONSUMER GOODS (NON-DURABLE) GROUP (171)	18,682.4	26.46	18,177.6	26.60	19,344.1	26.51
22 Breweries (14)	2,242.2	3.18	2,079.0	3.04	2,101.6	2.88
23 Wines and Spirits (6)	1,037.3	1.47	930.8	1.36	1,072.2	1.47
24 Entertainment, Catering (17)	1,687.2	2.39	1,652.6	2.42	1,695.3	2.32
25 Food Manufacturing (19)	2,635.9	3.73	2,666.6	3.91	2,831.2	3.88
26 Food Retailing (15)	1,547.4	2.19	1,440.6	2.11	1,450.4	1.99
32 Newspapers, Publishing (12)	270.5	0.38	273.2	0.40	290.1	0.40
33 Packaging and Paper (15)	922.6	1.31	896.4	1.31	1,032.2	1.42
34 Stores (41)	5,655.3	8.01	5,521.4	8.08	5,759.6	7.89
35 Textiles (23)	846.7	1.20	894.1	1.31	1,028.0	1.41
36 Tobaccos (3)	1,777.9	2.52	1,757.1	2.57	2,000.6	2.74
37 Toys and Games (6)	59.3	0.08	63.2	0.09	83.0	0.11
41 OTHER GROUPS (99)	9,914.8	14.04	9,474.8	13.87	10,538.6	14.44
42 Chemicals (18)	3,226.8	4.57	3,066.9	4.49	3,395.9	4.65
43 Pharmaceutical Products (7)	1,837.3	2.60	1,692.4	2.48	2,152.3	2.95
44 Office Equipment (6)	663.5	0.94	632.4	0.93	790.1	1.08
45 Shipping (10)	631.0	0.89	631.2	0.92	609.6	0.84
46 Miscellaneous (58)	3,554.5	5.04	3,451.9	5.05	3,590.6	4.92
49 INDUSTRIAL GROUP (494)	41,996.6	59.47	40,760.3	59.65	44,298.5	60.71
51 Oils (6)	9,401.3	13.32	9,406.0	13.77	9,019.9	12.36
59 500 SHARE INDEX	51,397.9	72.79	50,166.3	73.42	53,318.4	73.07
61 FINANCIAL GROUP (116)	12,242.5	17.34	11,566.7	16.93	12,435.8	17.04
62 Banks (6)	3,258.6	4.61	3,227.1	4.72	3,466.9	4.75
63 Discount Houses (10)	156.0	0.22	161.4	0.24	160.1	0.22
64 Hire Purchase (5)	243.3	0.35	211.5	0.31	246.6	0.34
65 Insurance (Life) (10)	1,228.2	1.74	1,150.5	1.68	1,219.7	1.67
66 Insurance (Composite) (8)	2,496.2	3.54	2,340.9	3.43	2,708.5	3.71
67 Insurance Brokers (10)	735.4	1.04	687.2	1.01	905.8	1.24
68 Merchant Banks (14)	491.8	0.70	463.5	0.68	451.9	0.62
69 Property (43)	3,016.1	4.27	2,754.5	4.03	2,726.2	3.74
70 Miscellaneous (10)	616.9	0.87	589.9	0.86	551.1	0.75
71 Investment Trusts (110)	3,952.8	5.60	3,769.7	5.52	4,211.6	5.77
81 Mining Finance (4)	1,521.8	2.15	1,291.6	[illegible]	1,380.7	1.89
91 Overseas Traders (30)	1,499.1	2.12	1,530.6	2.24	1,628.7	2.23
99 ALL-SHARE INDEX (750)	70,614.1	100	68,324.9	100	72,975.4	100

Note:—During the quarter, shares of British Petroleum, Shell and Unilever all went ex major special payments relating to the ending of dividend controls.

No adjustments were made to the indices to allow for these payments, but in order to assist those who require details for their cash flow analyses the following table sets out the effect on the indices had the actual (net) payments been added back:

Date xd	Company	Dir. per share p	Amount £m	FT-A index number 21	25	49	51	59	99
July 2	Unilever	35.0	64.07	0.82	5.18	0.37	—	0.35	0.23
July 16	BP	7.669	29.64	—	—	—	2.18	0.16	0.11
Aug. 13	Shell	27.184	300.34	—	—	—	22.10	1.62	1.09
Sept. 24	Shell	2.153	23.79	—	—	—	1.75	0.13	0.09
			417.84	0.82	5.18	0.37	26.03	2.26	1.52

Since these payments and the corresponding special distributions declared by many investment trusts are non-recurring, they are excluded when calculating yields shown in the FT-Actuaries indices display panel and in the Share Information Service.

GAS (10)

INSURANCE (112)

INVESTMENT TRUSTS (113)

Drayton Premier Invest. Tst. (25p) 1700. 3.5pcPf. 38½ (28/9). 7½pcLn. 1020
Dualvest Inc. (50p) 66½ (1/10). Cap. 258
Dundee London Inv. Tst. (25p) 65 (28/9)
Edinburgh American Assets Tst. (25p) 61 2½ (3/10). 8pcLn. 233 (28/9)
Edinburgh Invest. Tst. (25p) 86½ (3/10). 3.15pcPfd. 38 (3/10)
English Intnl. Tst. (25p) 87 (3/10)
English New York Tst. (25p) 76½ (2/10). 4½pcLn. 105 (1/10)
English National Invest. Dfd. (25p) 72 (2/10)
Equity Consort Invest. Tst. 106 (1/10)
Estate Duties Invest. Tst. (25p) 75
External Invest. Tst. 170 (2/10)
First Scot. American Trst. (25p) 920 90½. 5pcUns.Ln. 80 2 (3/10)
Foreign Colonial Inv. Trst. (25p) 85
Fundinvest Inc. (25p) 39 (3/10). Cap. (25p) 68 (2/10)

Miscellaneous (92)

PROPERTY (93)

Rhodesian (14)

South African (85)

UNIT TRUSTS (3)

M. and G. American Recovery Fund Income Units 54.4 (2/10)
M. and G. Conversion Trust Fund Income Units 75.10
M. and G. Extra Yield Fund Income Units 88
M. and G. High Income Fund Income Units 112.8 (2/10)
M. and G. Japan and General Income Units 190 (2/10)

MINES

Australian (14)

Hampton Gold (5p) 310 300 (2/10)
North Broken Hill (SA0.50) 152● 46 .1● 3 1 2

West African (1)

B'rchi Tin (10p) 9
Gold and Base Metal Mines (12½p) 10½ (28/9)

Diamond (10)

Anglo-American Investment Tst. (R0.50) 47½ (2/10)
De Beers Consld. Mines Dfd. (Reg.) (R0.05) 481● 35● 23 $US8.40● 8.37 8.44 p428 4 2. Bearer (R0.05) 505 (1/10)

OIL (283)

Attock Petroleum (20p) 176 (2/10)
British-Borneo Petroleum Syndicate (10p) 256 60 (3/10)
British Petroleum p1355● 48● 30 90● 75:● 70● 65● 95● 60● 80● 5● 39● 47● 1410● 1385 97‡ 5‡ 85‡ 80 2 1400 10 1393 1410‡ 1378 86 80 97 1415 8. 8pcPf. 63½. 9pcPf. 71 (2/10). 6pcDb. 93 (1/10)
Burmah Oil 155● 6● 5 3 6 47. 6pcPf. 40½ (28/9). 7½pcPf. 48 (3/10). 7½pc Ln. 73● 4½. 8½pcLn. 66½
Charterhall (5p) 44½
Compagnie Francaise Des Petroles B Shs. (N) (FF50) $US32⅛ (30/10)
Esso Petroleum 5¼pcDb. 30¼ (2/10)
Hunting Petroleum Services (25p) 129●
KCA Internl. (25p) 35½
London Scottish Marine Oil (25p) 285● 30 4 2 3 8 6. Oil Prodctn. Stk. Units (10p) 787 2 95. 14pcLn. 99¼● ½●
Oil Exploration (Hldgs.) (10p) 434● 2p 9 8 44 9 2 36 41 3 6 54
Premier Cons. Oilfields (5p) 42 1½ 2½
Royal Dutch Petroleum NV (Bearer) (Fl20) 36.75 36.59
Shell Transport Trading (Reg.) (25p) 372● 40 6p 9 70 66 4 7 2. Ord. Shs.

RUBBER (8)

UK AND OTHER COMMONWEALTH RAILWAYS (—)

FOREIGN RAILWAYS (1)

SHIPPING (69)

TEA (4)

TELEGRAPHS AND TELEPHONES (—)

TRAMWAYS AND OMNIBUS (—)

CANALS (1)

WATERWORKS (7)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

OCTOBER 4

OCTOBER 3

OCTOBER 2

OCTOBER 1

SEPTEMBER 28

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

OCTOBER 4

OCTOBER 3

OCTOBER 2

OCTOBER 1

SEPTEMBER 28

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

OCTOBER 4

OCTOBER 3

OCTOBER 2

OCTOBER 1

SEPTEMBER 28

Candecca Resources 78
CCP North Sea Associates £15.50
Cluff Oil 612
Gas and Oil Acreage 190
Siebens (UK) 270 68
Viking Oil 280 75

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	12	½-year	1,000	1
Knowsley (051 548 6555)	12⅜	½-year	1,000	5-7
Redbridge (01-478 3020)	11⅜	½-year	200	4-5
Redbridge (01-478 3020)	12¼	½-year	200	6-7

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term shares
	%	%	%	%
Abbey National	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Aid to Thrift	9.25	9.80	—	—
Alliance	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Anglia Hastings and Thanet	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Bradford and Bingley	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Bridgwater	8.50	8.75	10.25	10.75 5 yrs., 10.25 4 yrs., 9.85 2½ yrs.
Bristol and West	8.50	8.75	10.00	—
Bristol Economic	8.50	8.75	10.00	9.00 3 months' notice
Britannia	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Burnley	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Cardiff	8.50	9.25	10.55	—
Catholic	8.20	●8.90	9.80	— ● 9.10 over £5,000
Chelsea	8.50	8.75	10.00	10.75 5 yrs., 9.50 6 mths., 9.25 3 mths.
Cheltenham and Gloucester...	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Cheltenham and Gloucester...	—	■9.75	—	— ■ Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	8.50	9.10	10.30	10.85 5 yrs., 10.60 4 yrs., 10.10 3 yrs.
City of London (The)	8.80	9.10	10.10	10.15 3-yr. increment share withdrwbl.
Coventry Economic	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yr., 9.25 3 mth. not.
Coventry Provident	8.50	8.75	10.75	10.25 4 yrs., 10.00 3 yrs., 9.50 2 yrs.
Derbyshire	8.50	8.75	10.25	9.35 3 months' notice
Ealing and Acton	8.50	9.25	—	9.90 2 years, £2,000 minimum
Gateway	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Greenwich	8.45	8.85	10.00	10.85 5 yrs., 10.35 4 yrs., 9.85 3 yrs.
Guardian	8.50	9.00	—	10.00 3 months, £1,000 minimum
Halifax	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Heart of England	8.50	8.75	10.00	10.75 5 yrs., 9.25 3 months' notice
Hearts of Oak and Enfield...	8.50	9.00	10.50	10.25 4 yrs., 10.00 3 yrs., 9.75 2 yrs.
Hendon	8.75	9.25	—	10.25 6 months, minimum £2,000
Huddersfield and Bradford...	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Lambeth	8.50	9.00	10.50	9.80 3 months' notice £250-£10,000
Leamington Spa	8.60	8.85	11.93	10.80 5 yrs., 10.55 4 yrs., 10.15 3 yrs.
Leeds Permanent	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Leicester	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Liverpool	8.50	8.75	10.30	10.75 5 years, minimum £1,000
London Goldhawk	8.50	†9.25	†10.50	†10.00 2 years, †9.75 1 year
Melton Mowbray	8.60	8.85	10.00	10.35 4 years, 9.60 2 years
Mornington	9.00	9.50	—	—
National Counties	8.75	9.05	10.05	10.15 6 mths., 9.50 3 mths., min. £1,000
Nationwide	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Newcastle Permanent	8.50	8.75	10.05	10.75 4 yrs., 10.05 3 yrs., 9.75 2 yrs.
New Cross	9.25	9.50	—	—
Northern Rock	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Norwich	8.50	8.75	10.25	9.75 3 yrs., 9.50 2 yrs., minimum £500
Paddington	8.25	9.25	10.85	10.00 6 months, 9.75 3 months
Peckham Mutual	8.75	9.50	—	—
Portman	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yrs., 9.25 3 mths.
Principality	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Property Owners	8.50	9.25	10.50	9.75 3 months' notice
Provincial	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Skipton	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Sussex Mutual	8.50	9.10	10.75	10.05 3 yrs., 9.75 2 yrs., 9.50 1 yr.
Town and Country	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Walthamstow	8.50	8.85	9.95	10.85 5 yrs., 9.85 6 months min. £500
Wessex	8.75	9.25	—	10.25 6 mths. not. WDL min. 3 yrs.
Woolwich	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The Treasury bill rate fell by 0.0394 per cent at yesterday's tender to 13.3244 per cent and the minimum accepted bid rose to £96.67½ from £96.66. Bids at that level were met as to about 31 per cent and above in full. The £300m bills on offer attracted bids of £1,028.09m, compared with £764.1m for a similar amount the previous week, and all bills offered were allotted. Next week a further £300m will be on offer replacing a similar amount of maturities.

Day to day credit was in good supply in the London money market yesterday, and the authorities sold a small amount of Treasury bills all direct to the discount houses to mop up the surplus. Discount houses were paying around 13½ per cent for secured call loans at the start with closing balances taken as low as 11 per cent. The market was faced with a small increase in the note circulation, but this was countered by a small excess of Government disbursements over revenue transfers to the Exchequer and banks bringing forward balances a small way above target.

In the interbank market overnight loans opened at 13¾-13⅞ per cent and eased to 13½-13⅝ per cent before firming back to 13½-13¾ per cent and settling around 13-13¼ per cent by lunchtime. Rates tended to fall away later in the day, with closing balances taken in the region of 11 per cent.

EXCHANGES AND BULLION

Trading tended to fizzle out ahead of the weekend with most currencies showing little overall change. The dollar eased in places on rumours that Mr. Paul Volcker, chairman of the U.S. Federal Reserve Board, was about to resign. This was later strenously denied, but served to undermine confidence in the U.S. unit. Against the D-mark it fell to DM 1.7570 from DM 1.7630 and to SwFr 1.5790 from SwFr 1.5850 in terms of the Swiss franc.

The yen continued to weaken against the dollar and the latter rose to Y224.0 from Y223.40. The Canadian dollar was also weaker following August's disappointing trade figures, and it fell to 85.72½ U.S. cents from 85.82½. This helped the dollar record a trade weighted index of 84.2 compared with Thursday's level of 84.1.

Sterling traded quietly within a one cent spread for the whole day. After opening at $2.1900, it had slipped to $2.1850 by noon and finished at $2.1810-2.1820, a fall of 80 points. On Bank of England figures, its trade weighted index eased to 68.8 from 69.0, having stood at 68.9 at noon and 69.0 in the morning.

Gold recovered $5 an ounce in the bullion market to finish at $385-390 in heavy trading. After opening at $370-373½, the metal touched a low of $363½, but interest was revived at these lower levels, reflecting market sentiment that the recent shakeout may have gone too far, too fast.

THE POUND SPOT AND FORWARD

Oct. 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1800-2.1900	2.1810-2.1820	0.08c pm-0.02c dis	0.17	0.48-0.38 pm	0.78
Canada	2.5430-2.5520	2.5435-2.5445	0.40-0.30c pm	1.65	1.20-1.10 pm	1.80
Nethlnd.	4.25-4.30	4.25½-4.28½	1⅝-⅞c pm	3.87	4⅞-3⅞ pm	4.11
Belgium	61.90-62.45	62.00-62.10	10c pm-par	0.97	20-10 pm	0.97
Denmark	11.22-11.27½	11.23½-11.24½	8¼-10¼ore dis	−9.88	18-21 dis	−7.12
Ireland	1.0285-1.0345	1.0305-1.0315	0.30-0.40p dis	−4.07	0.90-1.00dis	−3.68
W. Ger.	3.82½-3.86½	3.83-3.84	2⅝-1⅝pf pm	6.65	6¼-5¼ pm	6.26
Portugal	107.30-108.20	107.40-107.70	55-105c dis	−8.93	155-265 dis	−7.82
Spain	143.65-144.60	144.00-144.10	70-120c dis	−7.91	175-275 dis	−6.25
Italy	1,775-1,785	1,780½-1,781½	½ lire pm-1½ dis	−0.51	4½-6½ dis	−1.23
Norway	10.70½-10.78½	10.71½-10.72½	5-7ore dis	−6.71	3¼-5¼ dis	−15.6
France	9.00½-9.08	9.01-9.02	2-1c pm	1.99	3-2 pm	1.11
Sweden	9.06-9.11	9.06½-9.07½	1¼ore pm-¼ dis	0.99	3¼-1¼ pm	0.89
Japan	485-496	488½-489½	3.40-3.00y pm	7.86	8.50-8.10 pm	6.79
Austria	27.60-27.80	27.63-27.68	17-7gro pm	5.21	40-30 pm	5.06
Switz.	3.43½-3.47½	3.44-3.45	4-3c pm	12.19	10¼-9¼ pm	11.90

Belgian rate is for convertible francs. Financial franc 64.20-64.30c pm. Six-month forward dollar 0.65-0.55c pm, 12-month 1.50-1.40c pm. France close for October 4 should have been 9.06½-9.07½.

OTHER MARKETS

Oct. 5	£	$		£ Note Rates
Argentina Peso	3227-3247	1480-1490	Austria	27-28
Australia Dollar	1.9385-1.9455	0.8870-0.8890	Belgium	63¾-64¾
Brazil Cruzeiro	64.51-65.51	29.55-30.05	Denmark	11.20-11.40
Finland Markka	8.14-8.15	3.7265-3.7275	France	9.02-9.12
Greek Drachma	79.618-81.551	36.50-36.90	Germany	3.80-3.90
Hong Kong Dollar	10.735-10.76	4.9350-4.9400	Italy	1,755-1,795
Iran Rial	153.59-161.05	70.25-73.75	Japan	487-497
Kuwait Dinar (KD)	0.598-0.608	0.2758-0.2763	Netherlands	4.20-4.30
Luxembourg Frc.	62.00-62.10	28.42-28.44	Norway	10.60-10.80
Malaysia Dollar	4.6850-4.6870	2.1490-2.1520	Portugal	103-110
New Zealand Dlr.	2.1765-2.1855	0.9985-1.0015	Spain	143-147
Saudi Arab. Riyal	7.29-7.39	3.3480-3.3530	Switzerland	3.40-3.55
Singapore Dollar	4.67-4.6810	2.1415-2.1445	United States	2.15-2.20
Sth. African Rand	1.8020-1.8120	0.8260-0.8270	Yugoslavia	47-49

Rate given for Argentina is free rate.

LONDON MONEY RATES

Oct. 5 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	11-13¾	—	—	—	13¾	11-13½	—	—	—
2 days notice	—	—	14-14⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅝-13¾	14⅛-14¼	—	14⅛	14⅛	13⅛-13¾	—	—	—
One month	14⅛-13⅞	13⅞-14	14-14¼	15-14⅝	14⅜	14¼	13¾-13⅞	13⅛	14⅛	14½
Two months	14-13⅞	13¹⁵⁄₁₆-14¹⁄₁₆	—	15-14⅝	14⅜	—	13¾	13⅞	14⅛	14⅞
Three months	14¹⁄₁₆-13¹⁵⁄₁₆	13¹⁵⁄₁₆-14¹⁄₁₆	14⅛-14¼	14⅛-13¾	14⅜	14⅛	13⅝-13⅞	13⅞-13⅞	13⅞-13⅞	14⅜
Six months	13⅝-13½	13¾-13⅞	13¾-14⅛	13½-13¼	14⅛	—	—	—	13⅞-13	13¾
Nine months	13½-13⅜	13¼-13⅜	—	13⅜-13⅛	13¾	—	—	—	—	—
One year	13-12⅞	13⅛-13⅜	13⅛-13⅜	13⅛-12¾	13½	—	—	—	—	—
Two years	—	—	13⅛-13¼	—	—	—	—	—	—	—

Local authority and finance houses seven days notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 13⅛-13¼ per cent; four years 13⅛-13¼ per cent; five years 13⅛-13¼ per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞-13⅞ per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13⅞-13 15-64ths per cent; two-month 13½-13⅞ per cent; three months 13 17-64ths-13 19-64ths per cent. Approximate rates for one-month bank bills 14¼-14⅛ per cent; two-month 14⅛ per cent and three-month 13¹⁵⁄₁₆-13²⁷⁄₃₂ per cent; one-month trade bills 14⅝ per cent; two-month 14⅛ per cent and three-month 14⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from October 1, 1979. **Clearing Bank Deposit Rates** for small sums at seven days' notice 11½-12 per cent. **Clearing Bank Rates** for lending 14 per cent. **Treasury Bills:** Average tender rates of discount 13.3244 per cent.

CURRENCY MOVEMENTS

Oct. 5	Bank of England Index	Morgan Guaranty changes %
Sterling	68.8	−36.8
U.S. dollar	84.2	−8.9
Canadian dollar	80.7	−16.9
Austrian schilling	155.0	+22.8
Belgian franc	115.0	+13.8
Danish kroner	115.1	+2.9
Deutsche mark	166.2	+46.5
Swiss franc	205.4	+86.5
Guilder	124.5	+19.1
French franc	100.8	−6.5
Lira	54.6	−49.8
Yen	126.6	+25.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 12.70-12.90 per cent; three months 13.10-13.20 per cent; six months 13.15-13.25 per cent; one year 13.25-13.35 per cent.

Oct. 5	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	13¾-14¼	12⅛-12⅜	10½-11½	9⅜-9⅝	2¼-2½	7⅜-7½	11⅜-11⅝	10½-12½	—	1⅛-4¼
7 days' notice	13¾-14¼	12¼-12½	10½-11½	9⅜-9⅝	1⅝-1⅞	7⅛-7⅜	11⅝-11⅞	11½-13½	12¼-12⅜	4¼-5
Month	13⅞-14¼	13⅝-13⅞	11¼-11⅜	9½-9¾	1⅜-1½	7⅜-7½	12-12¼	13-14	13⅝-13¾	6-6⅛
three months	14-14⅜	13⅛-13½	11¾-12⅛	9⅝-9⅞	1⅞-2⅛	7⅝-7¾	12⅝-12⅞	14½-16½	13⅛-13⅛	7⅛-7⅜
six months	13¾-14⅛	13¼-13½	11⅞-12⅛	9⅛-9¾	2-2⅛	7⅝-7¾	12⅛-13⅛	15-16	13⅛-13⅛	7⅛-7⅜
one year	13⅛-13⅜	12⅞-13	11⅝-11¾	9¼-9½	2⅛-2⅜	7½-7⅝	12⅛-13⅛	15-16	12⅞-12⅞	6⅞-7⅛

Long-term Eurodollar two years 11⅞-11⅝ per cent; three years 11⅝-11⅝ per cent; four years 11⅝-11⅝ per cent; five years 11-11½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.8456	40.2340	+0.97	+0.97	±1.53
Danish Krone	7.36594	7.28092	−1.15	−1.15	±1.635
German D-Mark	2.48557	2.48578	+0.01	+0.01	±1.125
French Franc	5.85522	5.85221	−0.05	−0.05	±1.3575
Dutch Guilder	2.74748	2.76425	+0.61	+0.61	±1.515
Irish Punt	0.669141	0.667412	−0.26	−0.26	±1.665
Italian Lira	1159.42	1154.19	−0.45	−0.45	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

GOLD

	October 5		October 4	
Gold Bullion (fine ounce)				
Close	$385-390	(£176.5-178.8)	$380-385	(£173.75-176)
Opening	$370-373½	(£169-170.4)	$397-400	(£181.5-182.85)
Morning fixing	$367.50	(£167.925)	$394.50	(£179.628)
Afternoon fixing	$385.00	(£176.161)	$384.00	(£175.527)
Gold Coins				
Krugerrand	$395-398	(£181.25-182.5)	$395-400	(£180.5-182.75)
Mapleleaf	$385-392		$435-442	
New Sovereigns	$100-102	(£45⅝-46⅝)	$99½-101½	(£45½-46½)
King Sovs.	$107-111	(£49-51)	$110-114	(£50½-52)
Victoria Sovs.	$118-120	(£54-55)	$116-118	(£53-54)
Fr20 Napoleon	FFr410-435	(SFr157-165)	FFr390-415	(SFr150-158)
50 pesos Mexico	$461-464		$480½-483½	
100 Cor. Austria	$375-378		$375-378	
$20 Eagles	$495-500		$493-498	
$10 Eagles	$259-264		$257-263	
$5 Eagles	$234-239		$232-237	

U.K. CONVERTIBLE STOCKS 5/10/79

Statistics provided by data STREAM International.

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	153.00	47.6	77-80	6.5	4.2	− 5.5	−16 to −6	0.0	4.7	2.9	+ 8.4
British Land 12pc Cv. 2002	7.71	254.00	333.3	80-97	4.8	3.0	− 1.0	− 3 to 4	0.0	94.0	36.6	+37.7
Hanson Trust 6½pc Cv. 88-93	3.38	85.00	57.1	76-80	7.7	8.4	3.3	−21 to 16	3.1	0.0	− 3.8	− 7.1
Slough Estates 10pc Cv. 87-90	5.50	216.00	187.5	78-85	4.7		− 0.7	− 2 to 6	30.0	41.0	5.0	+ 5.7
Slough Estates 8pc Cv. 91-94	24.88	113.00	78.0	80-91	7.3	6.8	24.9	20 to 32	24.6	51.5	29.7	+ 4.8
Thorn Electrical 5pc Cv. 90-94	4.19	123.00	29.1	75-80	4.1	2.6	− 2.3	− 5 to 4	5.4	4.7	− 0.6	+ 1.6
Tozer, Kemsley 8pc Cv. 1981	0.72	88.00	153.9	74-79	9.0	14.6	−12.0	−14 to 8	0.0	0.0	0.0	+12.0
Ultramar 7pc net R.Cv.Pfd.	12.59	1.80	0.5	76-82	5.6	0.8	− 2.3	− 8 to −1	17.5	21.6	2.2	+ 4.5
Wilkinson Match 10pc Cv. 84-98	11.10	80.00	40.0	76-83	12.9	13.3	19.8	20 to 42	25.4	32.2	10.2	− 9.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Leading shares narrowly mixed at end of good Account
Engineering shares lose early gains—Golds erratic

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sep. 24	Oct. 4	Oct. 5	Oct. 15
Oct. 8	Oct. 18	Oct. 19	Oct. 29
Oct. 22	Nov. 1	Nov. 2	Nov. 12

* "New time" dealings may take place from 9.30 am two business days earlier.

Thursday's settlement of the engineering dispute had been largely discounted in stock markets which were yesterday more concerned about the weakening of the employers' earlier resolve which had been looked to as helpful to the authorities' anti-inflation stance.

Prices of leading shares were marked a shade better at the outset with engineering issues naturally more prominent than most. However, the inflationary implications of a widespread call throughout industry for the conceded shorter working week was unhelpful to sentiment and the market was also undermined by the scope for profit-taking at the end of the Account which has seen a reasonably good display by equities on only a slight expansion of buying.

The constituents of the FT 30-share index closed narrowly mixed and this measure of the market closed only a point off at 480.4 for a rise of 20.1 on the Account—its biggest since the 30.8 recorded in the two weeks ended March 9. Second line securities were reasonably active and hardening in the late trade in line with leading issues.

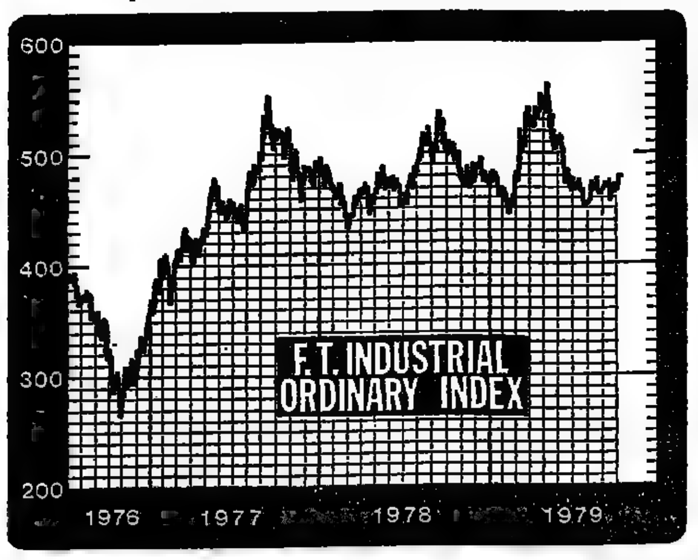
Yesterday's Total Bargains figure of 21,152 is the highest since this measure of trade was introduced in early June, while the volume of equity turnover on Wednesday and Thursday was in excess of £100m per day for the first time since the end of June.

British Funds remained quiet ahead of next week's bank leading figures with long-dated issues recovering early small falls to unchanged or a shade better on balance while the shorts, helped by the absence of a half-expected new issue, closed with gains of 1/16 to ⅛.

The two-day shake-out in South African Gold shares was reversed yesterday as prices responded to attempted buying in a thin market, and the movement was extended late with renewed demand from U.S. buyers. Down 48.6 over the previous two days, the Gold Mines index rallied 10.6 to end the week with a loss of 28.2 but retaining a net rise of 75.3 over the last nine weeks.

A reasonable two-way business was transacted in the investment currency premium yesterday both for institutional and arbitrage accounts. After trading within the narrow limits of 30½ and 31½ per cent, the premium closed unchanged at the overnight level of 31½ per cent. Yesterday's SE conversion factor was 0.9065 (0.9070).

A slight contraction of business in Traded options resulted in a total of 710 contracts being completed, nearly 200 lower than on Thursday. The week's daily average, however, amounted to 659, the highest since late July. Cons. Gold Fields remained in the limelight, attracting 175 trades, while BP were also in demand with 112.



Composites dull

Composite Insurances closed the Account on a dull note. Royals lost 10 to 360p and Phoenix declined 6 to 246p, while General Accident cheapened 4 to 234p and GRE eased 2 to 248p. Elsewhere, Minet gave up 4 to 125p.

Apart from a reaction of 5 to 363p in NatWest, the major clearing banks were untested and held their overnight levels. Merchant banks were inclined harder in places. Brown Shipley improved 3 to 250p and Wintrust 2 to 87p.

The majority of Building descriptions made progress, but trade was fairly thin. Tarmac became a good market, rising 7 to a 1979 peak of 214p, but Tunnel B shed 4 to 336p on profit-taking. S.G.B. firmed 6 to 248p, while Magnet and Southerns improved 5 to 162p and Ibstock Johnsen gained 3 to 85p.

End-Account profit-taking left ICI 4 cheaper at 365p. A volatile market on Thursday on the abortive bid discussions, Allied Colloids attracted buyers in the after-hours trade and advanced 7 to 136p.

Combined English slump

Stores were featured by a late setback in Combined English which slumped 11 to a 1979 low of 45p following news of the 76 per cent contraction in first-half profits. Henderson Kenton found support and closed 12 to the good at 140p, while renewed buying in a thin market helped Lee Cooper improve 4 more to 254p, after 260p. Cope Sportswear, 50p, and B and Q Retail, 94p, rose 3 and 4 respectively on Press comment. B. Paradise were also notable for an advance of 5 to 22p, after 23p. Forminster put on 3 to 155p and Wallis added 4 to 56p but Empire (Bradford) eased 2 to 204p ahead of next Wednesday's interim figures. Among Shoes, Stylo closed unaltered at 245p following the interim results.

With the exception of EMI which rallied 3 more to 90p following comment on the annual results, leading Electricals ended the day without much alteration. Elsewhere, Muirhead met fresh selling and gave up 7 more to 225p, while Sound Diffusion encountered profit-taking at 119p, down 4. Telephone Rentals closed 2 cheaper at 229p and Ward and Goldstone ended a similar amount lower at 82p. On the other hand, Unitech edged up 2 further to a new 1979 peak of 240p, while Wholesale Fittings firmed 5 to 425p.

Engineering leaders trended harder following the settlement of the dispute but lack of fresh support and occasional light profit-taking left quotations slightly lower on balance. Tubes ended 4 off at 312p, while Vickers, 152p, and John Brown, 75p, ended 2 and a penny lower respectively. Elsewhere, Victor Products, however, found support and put on 8 to 153p, while renewed demand left Alcan 6 dearer at 124p. Satisfactory half-yearly figures prompted a gain of 2 to 56p in Beauford. Averys closed a shade lower at 252p following the interim results and accompanying letter giving reasons for the rejection of the offer from GEC.

In Foods, buyers showed interest in Linfood which rose 5 to 170p, while Hillards put on 10 to 379p in a thin market following the chairman's cheerful remarks at the annual general meeting. Press comment highlighting bid possibilities prompted a fair trade in Associated Fisheries which gained 4 to 61p.

Vague rumours of a casino deal between Ladbroke and Grand Metropolitan prompted late firmness in the former which advanced 8 to 196p.

Glaxo nervous

Nervous offerings ahead of Monday's preliminary results promoted a fall of 11 to 467p in Glaxo. Other miscellaneous industrial leaders generally closed with small falls after a firm start. Turner and Newall, however, contrasted with an improvement of 3 at 134p. Elsewhere, speculative buying on consideration of the NEB's near 30 per cent shareholding lifted Negretti and Zambra 10 further for a two day advance of 15 at 57p. Still reflecting the group's North Sea oil interests, IC Gas added 13 more to a 1979 peak of 608p, while Lesney Products hardened a penny to 47p ahead of Tuesday's half-yearly figures. Henry Boot rose 6 to 126p and Brook Street Bureau improved 4 to 8p. Vinten lost 12 to 156p, while Wilson Walton, still depressed by the poor annual results and gloomy outlook, declined a penny more to 9p, for a fall on the week of 5.

Dealings in Belfast distributors Charles Hurst, 85p, were suspended at the company's request; the shares have risen from 61p in the past week on strong bid rumours. Dutton-Forshaw, already the subject of a bid approach, met good late buying and added 3½ to a 1979 peak of 71p. Appleyard, 78p, and Henlys, 111p, rose 3 apiece, while Glanfield Lawrence spurted 6 to 60p following a favourable Press mention. Plaxtons continued firm, adding 4 to 181p, and Rolls-Royce put on 1½ to 67½p.

Newspapers were again firm, Associated rising 4 to 252p with International Thomson putting on 6 to 403p for a rise on the week of 35 following optimism over the company's North Sea oil prospects, while BPM hardened to 92p in front of Wednesday's annual statement. News International shed a couple of pence to 160p, but still retained a week's gain of 12, while Associated Book Publishers closed up 5 more at 295p.

Selected Properties made good progress in the after-hours dealings with several issues attaining new highs for the year. Stock Conversion firmed 10 to 402p and Berkeley Hambro gained 6 to 214p. Late buying lifted Land Securities 4 to 318p for a gain on the week of 15. Elsewhere, M.P. Kent rose 7 to 102p on investment demand and Property Partnership improved 5 to 182p. Up to 548p initially, Bernard Sunley eased to 540p on news that a property revaluation was in progress and the company does not expect to announce the outcome of discussions with Eagle Star for about a month, however, a late flurry lifted the price to 551p for a gain on the day of 13 and one on the week of 54

Late demand for Oils

A late flurry of demand for Oil shares enlivened an otherwise fairly quiet trading session. British Petroleum, which had eased to 1400p in the early dealings recovered strongly with the help of fresh U.S. support to close at 1440p for a rise of 25 on the day; dealings are due to start ex the share split next Monday. Outside of the leaders, speculative demand was responsible for a jump of 22 in Oil Exploration, 476p. British Borneo rose 8 to 280p and Burmah finished with a rise of 3 at 169p.

Small gains predominated in Trusts but Atlantic Assets, a good market of late on its oil interests, met profit-taking and reacted 4½ to 144½p to retain a rise of 12 on the week.

Sirdar attracted renewed speculative support following the recent good annual statement, gaining 12 to 132p. Elsewhere among subdued Textiles, Montfort came on offer 4 lower at 74p.

Bats issues again encountered investment buying, the deferred rising 5 to 293p for a week's gain of 15.

Rightwise, formed last year through the merger of a number of Plantation companies, dipped 14 to 173p following the disappointing profits and dividend omission. Among Teas, however, McLeod Russel jumped 30 to 315p in a thin market.

Golds surge ahead

South African Golds extended the late rally which began on Thursday afternoon and ended a week of intense activity and exaggerated price movements showing good gains on the day.

Another day of wild gyrations in the bullion price—it fell to $367.50 in the morning before recovering to close $5 higher on balance at $387.50 an ounce, down $10.50 over the week—failed to depress the gold shares which moved ahead all day.

Prices were marked up sharply at the outset reflecting overnight American buying and bear closing which was followed by fresh speculative demand. In the afternoon, "new-time" buying was reported and this, together with heavy Continental demand, saw share prices bound ahead to close at the day's best.

Heavyweights showed Western Deep £1¾ higher at £11, West Driefontein £1¼ up at £28¾ and rises of a point were common to President Steyn and St. Helena at £12 and £12¾ respectively.

The Gold Mines index recouped 10.6 to 222.0 but was left showing a 28.2 fall over the week. The ex-premium index put on 9.5, to 201.2, thereby reducing the week's loss to 15.6.

South African Financials mirrored Golds. Anglo American Corporation rose 24 to 472p, De Beers 15 to 426, Amgold ½ to £27¼ and UC Investments 10 to 305p.

Australians moved up strongly in the late trade reflecting the rise in the bullion price. Gold Mines of Kalgoorlie advanced 12 to 152p. Poseidon 8 to 80p and North Kalgurli 7 to 39. Cultus Pacific eased a penny following the announcement of the proposed one-for-four "rights" issue at par (25 cents).

Knitwear firm expanding

BALLANTYNE Sportswear one of the leading knitwear companies in the Scottish borders is to expand in Bonnyrigg, near Edinburgh, because of a shortage of suitable labour.

The company is spending £600,000 in Bonnyrigg where the present unemployment level is 13 per cent. Ballantyne intends recruiting school leavers for a two year training programme. It is expected to employ about 250 people. The Innerleithen company, which will continue in full operation, has 400 employees.

FINANCIAL TIMES STOCK INDICES

	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sept. 28	A year ago
Government Secs.	72.51	72.51	72.46	72.19	72.66	72.70	69.39
Fixed Interest	72.99	72.96	72.80	72.75	72.92	72.92	71.85
Industrial	480.4	481.4	476.5	469.1	466.8	470.7	503.0
Gold Mines	222.0	211.4	228.9	260.0	258.5	250.2	172.5
Gold Mines (Ex-$ pm)	201.2	191.7	200.7	226.8	228.1	217.0	124.0
Ord. Div. Yield	6.61	6.61	6.67	6.82	6.87	6.84	5.34
Earnings, Yld. % (full)	17.15	17.13	17.30	17.68	17.82	17.73	14.80
P/E Ratio (net) (*)	7.11	7.12	7.05	6.90	6.84	6.88	8.94
Total bargains	21,152	20,788	18,590	17,882	16,687	17,534	—
Equity turnover £m	—	116.84	124.69	74.85	67.56	91.06	71.61
Equity bargains total	—	17,019	13,753	12,616	12,925	13,462	12,168

10 am 482.5. 11 am 479.4. Noon 479.4. 1 pm 478.8. 2 pm 479.2. 3 pm 479.0.
Latest Index 01-246 026.
*Nil=6.87.

Base 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 2/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (8/5)	66.05 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	260.0 (2/10)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex$pm)	226.8 (2/10)	96.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	Oct. 5	Oct. 4
—Daily		
Gilt Edged	186.1	109.2
Industrials	135.7	135.3
Speculative	61.1	60.0
Totals	91.2	90.7
5-d'y Av'r'ge		
Gilt Edged	130.1	136.3
Industrials	127.7	123.2
Speculative	74.4	79.3
Totals	89.1	87.9

RISES AND FALLS

	Up	Down	Same	Up	Down	Same
British Funds	48	1	36	152	112	163
Corporations, Dom. and Foreign Bonds	5	3	57	32	21	272
Industrials	260	255	893	1,631	1,087	4,371
Financial and Property	133	63	308	692	359	1,478
Oils	13	7	20	88	35	65
Plantations	1	7	20	29	19	92
Mines	60	41	43	242	267	211
Others	16	73	56	130	289	302
Totals	536	450	1,433	2,988	2,149	6,972

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1200	225	5	285	—	305	5	1418p
BP	1300	125	11	190	14	225	1	"
BP	1400	44	2	120	78	150	—	"
Com. Union	140	6	—	18	16	25	—	146p
Cons. Gold	220	49	7	65	5	[illegible]	[illegible]	269p
Cons. Gold	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gold	260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gold	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Courtaulds	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	388p
GEC	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	168p
Grand Met.	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	170	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	365p
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Secs.	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	317p
Land Secs.	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	107p
Marks & Sp.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp.	130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	368p
Shell	350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	375	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	400	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			266		338		18	
		November		February		May		
Boots	220	1	40	8½	—	—	—	192p
EMI	90	6	—	12	12	18	—	90p
EMI	100	5	—	7	25	12	—	"
RTZ	280	39	7	54	—	70	—	311p
RTZ	300	26	3	41	4	54	—	"
RTZ	330	10	—	24	4	40	4	"
RTZ	360	5	6	—	—	—	—	"
Totals			56		45		—	

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
ICI	£1	9	365	−4	415	314
BP	£1	8	1,440	+25	1,440	882
Brown (J.)	25p	8	75	−1	123	70
GKN	£1	8	275	—	308	226
Allied Breweries	25p	7	98½	+½	102	80
Cons. Gold Fields	25p	7	269	+5	274	178
Debenhams	25p	7	83	—	98	78
GEC	25p	7	388	+1	456	311
Ultramar	25p	7	352	+2	352	197
BAT Inds.	25p	6	303	+3	362	255
Beecham	25p	6	147	—	159	130
P. & O. Defd.	£1	6	114	—	114	71
Racal Electronics	25p	6	252	—	276	168½
RTZ	25p	6	312	+4	362	226
Tarmac	50p	6	214	+7	214	154

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163 (1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
BP	£1	73	1,440	+150	1,440	882
EMI	50p	47	90	+2	144	81
ICI	£1	46	365	+3	415	314
Cons. Gold Fields	25p	44	269	+5	274	178
BAT Inds.	25p	42	303	+12	362	255
Oil Exploration	10p	38	476	+60	476	210
Barclays Bank	£1	37	458	+16	514	360
GEC	25p	37	388	+4	456	311
RTZ	25p	37	312	−6	362	226
Shell Transport	25p	37	370	+8	402	278
De Beers Defd.	R0.05	36	426	−6	482	332
P. & O. Defd.	£1	36	114	+9	114	71
Rank Org.	25p	35	213	−7	300	206
East Dric.	R1	33	845	−105	991	562
Tricentrol	25p	33	240	+16	254	148

Yesterday — On the week

BASE LENDING RATES

A.B.N. Bank	14 %	■ Hill Samuel	§14 %
Amro Bank	14 %	C. Hoare & Co.	14 %
American Express Bk.	14 %	Julian S. Hodge	15 %
A P Bank Ltd.	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Industrial Bk. of Scot.	14½%
Associates Cap. Corp.	14 %	Keyser Ullmann	14 %
Banco de Bilbao	14 %	Knowsley & Co. Ltd.	15½%
Bank of Credit & Cmce.	14 %	Lloyds Bank	14 %
Bank of Cyprus	14 %	London Mercantile	14 %
Bank of N.S.W.	14 %	Edward Manson & Co.	15 %
Banque Belge Ltd.	14 %	Midland Bank	14 %
Banque du Rhone et de la Tamise S.A.	14½%	■ Samuel Montagu	14 %
Barclays Bank	14 %	■ Morgan Grenfell	14 %
Bremar Holdings Ltd.	15 %	National Westminster	14 %
Brit. Bank of Mid. East	14 %	Norwich General Trust	14 %
■ Brown Shipley	14 %	P. S. Refson & Co.	14 %
Canada Perm't Trust	14 %	Rossminster	14 %
Cayzer Ltd.	14 %	Ryl. Bk. Canada (Ldn.)	14 %
Cedar Holdings	14 %	Schlesinger Limited	14 %
■ Charterhouse Japhet	14 %	E. S. Schwab	15 %
Choulartons	14 %	Security Trust Co. Ltd.	15 %
C. E. Coates	14 %	Shenley Trust	16 %
Consolidated Credits	14 %	Standard Chartered	14 %
Co-operative Bank	*14 %	Trade Dev. Bank	14 %
Corinthian Secs.	14 %	Trustee Savings Bank	14 %
Credit Lyonnais	14 %	Twentieth Century Bk.	15 %
The Cyprus Popular Bk.	14 %	United Bank of Kuwait	14 %
Duncan Lawrie	14 %	Whiteaway Laidlaw	14½%
Eagil Trust	14 %	Williams & Glyn's	14 %
English Transcont.	14 %	Yorkshire Bank	14 %
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
■ Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		
■ Hambros Bank	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (56)

BRITISH FUNDS (1)
Electric 3½pc '76-79
BEERS (2)
Macallan-Glenlivet, Marston Thompson
BUILDINGS (3)
Magnet & Southerns, Tarmac, Marshalls (Halifax)
CHEMICALS (1)
Crystalate
STORES (6)
B. & Q. (Retail), Home Charm, Fine Art Devs., Lee Cooper, Henderson-Kenton, Wearwell
ELECTRICALS (5)
Dreamland, Unitech, Electrocomponents, Wholesale Fittings, Pifco
ENGINEERING (3)
Associated British, Tecalemit, M. L. Holdings
FOODS (3)
Clifford's Dairies, Unigate, Hillards
INDUSTRIALS (10)
Black (P.), Howard Tenens, Cawoods, Imp. Continental Gas, Eleco, Johnson Grp Cleaners, Gibbons Dudley, Relyon PBWS, Holt Lloyd, Sharna Ware
LEISURE (1)
Hawley Leisure
MOTORS (4)
Plaxtons, Dutton Forshaw, Supra, Hurst (Charles)
NEWSPAPERS (1)
International Thomson Conv.
PROPERTY (6)
Berkeley Hambro, Stock Conversion, Kent (M. P.), Sunley (B.), Propty. Partnerships, Town & City
SHOES (1)
Strong & Fisher
TEXTILES (1)
Sirdar
TRUSTS (1)
Int. Inv. Trust of Jersey
OILS (5)
British Borneo, Oil Exploration, Clyde Petroleum, Ranger Oil, Tricentrol
MINES (1)
Geevor

NEW LOWS (11)

BUILDINGS (1)
Lovell (Y. J.)
STORES (2)
Combined English, Owen Owen
ENGINEERING (3)
Birmingham Pallet, Wolf Electric Tools, Castings
INDUSTRIALS (2)
Airfix, Wilson Walton
MOTORS (1)
Fodens
PAPER (1)
Clay (Richard)
RUBBERS (1)
Grand Central

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Oct. 1	Oct. 12	Jan. 10	Jan. 21
Oct. 15	Oct. 26	Jan. 24	Feb. 4
Oct. 29	Nov. 9	Feb. 7	Feb. 18

For rate indications see end of Share Information Service

Call options were dealt in Marshall Cavendish, Allied Colloids, LRC, Cadbury Schweppes, Shell Transport, Town and City, Burmah, Woodside, Phoenix Timber, John Brown, Davenports, New Throgmorton Warrants, Lonrho, Silentnight, Century Oil, Drake and Scull, Trident TV, Hambro Life and Lex Service. No puts were reported, while double options were completed in Lesney Products and Woodside.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. F. or Amount	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	—	90	80	Barlow Hldgs.	86	−1	T2.6	1.1	4.3	28.9
**	F.P.	19/10	95	82½	Fogarty (E.) Defd.	93		—	—	—	—
¶¶	F.P.	—	202	160	Seltrust A. 5oc.	160	−8	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶91	F.P.	[illegible]	[illegible]	[illegible]	Aurora 8% Conv. Cum. Pref.	[illegible]	[illegible]
**	F.P.	[illegible]	[illegible]	[illegible]	Bradford Prop. 10¼% Conv. Uns. Ln.	[illegible]	[illegible]
¶	F.P.	[illegible]	[illegible]	[illegible]	Eastbourne Waterworks 6¾% Red. Pref.	[illegible]	[illegible]
¶	F.P.	[illegible]	[illegible]	[illegible]	Essex Water 9% Red. Pref.	[illegible]	[illegible]
98½	F.P.	[illegible]	[illegible]	[illegible]	London Trust 15¼% Deb. Stk. 2000-04	[illegible]	[illegible]
¶¶	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
¶¶	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
¶¶	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
¶	F.P.	[illegible]	[illegible]	[illegible]	Agricultural Mort. 12% Deb.	[illegible]	[illegible]
10p	F.P.	[illegible]	[illegible]	[illegible]	Smithwell 10¼% Conv. Pref.	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −
110	F.P.	[illegible]	[illegible]	[illegible]	Bank Leumi	[illegible]	[illegible]
20	F.P.	[illegible]	[illegible]	[illegible]	Banlox	[illegible]	[illegible]
A$4.50	Nil	[illegible]	[illegible]	[illegible]	BH Proprietary	[illegible]	[illegible]
125	F.P.	[illegible]	[illegible]	[illegible]	Estates Propert. Inv.	[illegible]	[illegible]
93	F.P.	[illegible]	[illegible]	[illegible]	Haywards Ceramics	[illegible]	[illegible]
SM1.30	Nil	[illegible]	[illegible]	[illegible]	Kulim	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	Macarthys Pharm.	[illegible]	[illegible]
40	Nil	[illegible]	[illegible]	[illegible]	Nolton	[illegible]	[illegible]
A$3	Nil	[illegible]	[illegible]	[illegible]	Peko-Wallsend	[illegible]	[illegible]
¶¶	Nil	[illegible]	[illegible]	[illegible]	Seltrust	[illegible]	[illegible]
145	F.P.	[illegible]	[illegible]	[illegible]	Unitech	[illegible]	[illegible]
45	Nil	[illegible]	[illegible]	[illegible]	Wace Group	[illegible]	[illegible]
10	F.P.	[illegible]	[illegible]	[illegible]	Yorkgreen Invs.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. || Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Oct. 5, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs. Oct. 4 Index No.	Wed. Oct. 3 Index No.	Tues. Oct. 2 Index No.	Mon. Oct. 1 Index No.	Year ago (approx.) Index No.	1979 High	1979 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (172)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (74)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (52)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (171)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (40)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (116)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (110)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Fri. Oct. 5	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	[illegible]	[illegible]	—	[illegible]
2 5-15 years	[illegible]	[illegible]	—	[illegible]
3 Over 15 years	[illegible]	[illegible]	—	[illegible]
4 Irredeemables	[illegible]	[illegible]	—	[illegible]
5 All stocks	[illegible]	[illegible]	—	[illegible]

FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Fri. Oct. 5	Thurs. Oct. 4	Year ago (approx.)	1979 Highs	1979 Lows
1 Low Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri., Oct. 5 Index No.	Yield %	Thur. Oct. 4	Wed. Oct. 3	Tues. Oct. 2	Mon. Oct. 1	Fri. Sept. 28	Thur. Sept. 27	Wed. Sept. 26	Year ago (approx.)	1979 Highs	1979 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	[illegible]	Industrial Group	31/12/70	[illegible]
Other Groups	31/12/74	[illegible]	Miscellaneous Financial	31/12/70	[illegible]
Overseas Traders	31/12/74	[illegible]	Food Manufacturing	29/12/67	[illegible]
Engineering Contractors	31/12/71	[illegible]	Food Retailing	29/12/67	[illegible]
Mechanical Engineering	31/12/71	[illegible]	Insurance Brokers	29/12/67	[illegible]
Wines and Spirits	10/1/70	[illegible]	Mining Finance	29/12/67	[illegible]
Toys and Games	16/1/70	[illegible]	All Other	10/4/62	[illegible]
Office Equipment	16/1/70	[illegible]	British Government	31/12/75	[illegible]

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of group and subsection indices, dividend yields and earnings yields since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at £10 per copy.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Gilt Int. Tst.	107.1	113.3	-0.1	3.13
Abbey Capital	38.4	41.0	.....	4.95
Abbey Income	44.7	47.8	.....	7.66
Abbey Inv. Tst. Fd.	38.1	40.7	.....	5.65
Abbey Gen. Tst.	48.8	52.1	-0.1	5.19
Equitas Prog. Tst.	73.5	77.5	.....	3.75

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	96.6	101.7	.....	12.01

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	75.5	80.8	.....	5.93
Brit. Inds. Fund	73.4	78.5	+0.3	5.17
Grth. & Inc.	42.7	45.7	.....	5.25
Elect. & Ind. Dev.	38.5	41.2xd	-1.1	5.10
Allied Capital	77.4	82.8xd	+0.1	4.83
Hambro Fund	123.1	131.7	.....	5.88
Hambro Acc. Fd.	145.0	155.1	-0.2	4.88
Income Funds				
High Yield Fd.	73.4	78.5	+0.2	3.71
High Income	71.1	76.1xd	.....	7.36
A. H. Eq. Inc.	42.1	45.0	-0.2	7.53
International Funds				
International	27.1	29.0	.....	2.77
Pacific Fund	39.2	42.1	-0.2	2.11
Secs. Of America	59.7	63.9	+0.5	2.19
Specialist Funds				
Smaller Co.'s Fd.	50.4	53.9	+0.3	3.90
2nd Smlr. Co's Fd.	60.0	64.2xd	+0.2	4.05
Recovery Sits.	116.8	125.0	.....	5.37
Met. Min. & C'dty.	51.2	54.8	-0.2	4.74
Overseas Earnings	59.6	63.8	-0.1	5.17
Exempt Funds				
Far East Exempt	47.3	49.2	-0.3	2.85
Smaller Co. Exempt	75.5	79.3xd	+0.5	4.63
U.S.A. Exempt	103.8	107.9xd	+0.6	3.24

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	54.3	58.5xd	.....	4.50

[illegible]

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	51.7	55.2	+0.1	4.61
Do. Accum.	69.2	74.0	+0.2	4.61

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Sept. 27	112.6	114.4	.....	4.72
Gross Inc. Sept. 27	77.4	80.0	.....	9.75
High Yield Sept. 27	88.0	92.2xd	.....	9.22

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	111.4	118.5	+1.6	3.80
Do. Acc.	138.3	147.1	+1.9	3.80
G.T. Inc. Fd. Un.	171.4	182.3	-0.2	8.80
G.T. U.S. & Gen.	142.6	151.6	+1.7	2.50
G.T. Japan & Gen.	78.7	83.2xd	-1.1	2.70
♦Gt. Pens. Ex. Fd.	230.7	242.1	.....	5.10
G.T. Int'l. Fund	161.2	171.4	-1.4	2.40
G.T. Four Yds. Fd.	53.9	57.3	.....	7.80
G.T. Far East & Gen.	48.3	51.9	-0.5	2.80

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	37.7	40.3	.....	4.97

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Tst.	27.6	29.6	+0.2	1.89
British Tst. (Acc.)	67.6	72.7	-0.2	3.71
Commodity Share	52.6	35.1	-0.4	3.28
Extra Income Tst.	24.4	26.2	.....	9.19
Far East Trust	33.4	36.0xd	.....	3.26
High Income Tst.	59.5	64.0	+0.2	9.30
Income Fund	78.9	84.7	+0.3	6.96
Ins. Agencies	£14.91	15.90	+0.01	4.28
Intl. Exempt Fd.	94.5	102.7xd	+0.2	7.03
Intl. Tst. (Acc.)	33.2	35.7	.....	1.49

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	30.0	32.6	.....	9.60
Income	43.9	47.8	.....	8.80
Accumulation	81.3	88.4	+0.1	3.50
Growth	44.6	48.5	-0.1	4.20

[illegible]

Accum. Units	31.6	33.9xd	.....	3.51
J. Finlay High Income	34.6	37.2xd	.....	9.16
J. Finlay Euro. Fin.	25.5	27.4xd	.....	5.00
Accum. Units	30.5	32.8xd	.....	5.00
J. Finlay Fd. In. Tst.	31.9	33.0xd	.....	4.86
Accum. Units	36.6	39.4xd	.....	4.86

Prices on October 3. Next dealing October 10.

Framlington Unit Mgt. Ltd. (a)
[illegible] London Wall, EC2M 5NQ. 01-628 5181

American	53.6	57.0xd	.....	4.63
Capital Tst.	54.6	58.0xd	+0.4	4.55
Do. Accum.	54.6	58.0xd	+0.4	4.55
Income Tst.	118.4	125.8	.....	7.62
Int. Growth Fd.	132.8	141.2	.....	2.09
Do. Accum.	139.0	147.8	.....	2.09

Do. Accum.	36.6	39.4	+0.3	1.51

*Prices at Sept. 28. Next dealing Oct. 5.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Sept. 24	39.2	41.2	.....	6.13
Exempt Sept. 28	105.6	109.4	.....	6.12

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222-8177

MLA Units	55.8	58.7	.....	3.61

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	70.2	74.8xd	.....	2.93

Dealing Day Friday.

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. ● Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

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[illegible]

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[illegible]

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Five to Fifteen Years

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Undated

[illegible]

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[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

1979 High	Low	Stock	Price £	+ or –	Int.	Red. Yield
108¾	98¼	Do. 14pc '83	102¾	......	13.63	13.09
86½	77½	ICFC 5½pc Deb. '80-82	83½	+½	6.68	12.50
85	71½	Do. 6¾pcDb. '81-84	79½	......	8.07	12.40
99	84½	Do. 10½pc Uns.Ln. '86	94	......	11.57	12.70
99	84½	Do. 11pc Uns.Ln. '88	94½	......	12.01	12.50
101½	84	Do. 11¾pc Uns.Ln. '90	96½	......	12.59	12.90
73½	57	Do. 7¾pcADeb. '89-92	66½	+½	11.38	13.10
69	53½	Do. 7¾pcA Db. '91-94	63	......	11.50	12.98
81½	64½	Do. 9pc'A' '91-94	74	......	12.16	13.00
78½	62½	Do. 8¾pcLn. '92-97	72½	......	12.53	13.00
102	95½	Do. 12½pc. Uns. Ln. 1992	97½	......	12.82	12.90

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 10⅛% (based on US$2.1852 per £)
Conversion factor 0.6065 (0.9070)

CANADIANS

[illegible]

S.E. List Premium 10⅛% (based on $2.5497 per £)

BANKS AND HIRE PURCHASE

[illegible]

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
£18½	£10¼	C'hgm.Hbk.Kr100	£10⅝	......	Q12%	—	10.4	—
41	29	Corinthian 10p	34xd	......	†1.05	5.9	4.4	3.9
£24¾	£15	Cred. France F75	£18⅞	......	Q9.87%	—	3.5	—
16	11	Dawes (G. R.)	11	......	—	—	—	—
£121	£64	Deutsche Bank DM50	£71¼	......	Q12%	—	5.2	—
90	58	F. C. Finance	67	......	2.2	4.9	4.8	6.1
8¼	5¼	First Nat. 10p	7½	......	—	—	—	0.5
4	2	Do. Wrrts. 75-83	2¼	......	—	—	—	—
266	178	Gerrard Natnl.	260	......	9.12	—	5.0	—
62	39	Gibbs (A.)	52xd	......	2.2	—	6.0	—
270	217	Gillett Bros. £1	221	......	†16.95	—	11.0	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

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[illegible]

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INDUSTRIALS (Miscel.)

[illegible]

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EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$24	$10½	Buffels R1	$21⅝	+1⅛	0200c	2.3	11.2
$18¾	890c	East Drie R1	$26¾	+¾	†0116c	1.6	8.3
$12¼	350c	East Rand Prp. R1	$11	......	†010c	—	1.1
$39	$18¼	F.S. Geduld 50c	$35	−¼	†0315c	2.4	10.9
$27¼	$11¼	Pres. Brand 50c	$25½	+1⅛	†0150c	3.2	7.2
$28	$10¾	St. Helena R1	$24½	+1½	0300c	ϕ	15.3
$11½	407c	Stilfontein 50c	975c	−15	†066c	1.7	8.2
$44¼	$18¾	Vaal Reefs 50c	$39⅝	−½	†0280c	2.7	9.0
$63	$28¾	West Drie R1	$56	+2	0615c	1.3	0.5
$49	$22½	West Hldgs. 50c	$42½	+1	†0416c	1.6	11.8
$25⅝	$10½	Western Deep R2	$21⅞	+1⅛	†047½c	2.1	0.1

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or EEC currencies are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1975. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27	......	Sindall (Wm.)	174	......
Bertam	18	+1	IRISH		
Bdg'wtr. Est. 50p	420	......	Conv. 9% '80/82	£86	......
Clover Croft	28	......	Nat. 9¾% 84/89	£73	+¼
Craig & Rose £1	£10½	......	Fin. 13% 97/02	£91	......
Dyson (R. A.) A	28	+1	Alliance Gas	70	......
Ellis & McHdy	180	......	Arnott	360	......
Fife Forge	48	......	Carroll (P.J.)	57	+4
Finlay Pkg. 5p	20	......	Clondalkin	87	+1
Graig Ship. £1	575	+25	Concrete Prods.	84	......
Higsons Brew.	76	......	Helton (Hldgs.)	75	......
Holt (Jos) 25p	255xd	......	Ins. Corp.	212	......
I.O.M. Stm. £1	150	+5	Irish Ropes	75	......
Pearce (C. H.)	360	+20	Jacob	33	......
Peel Mills	30	......	T.M.G.	150xd	......
Sheff. Refrshmt	105	......	Unidare	85	......

OPTIONS

3-month Call Rates.

Industrials

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday October 6 1979

MAN OF THE WEEK

Definitions of democracy

BY RICHARD EVANS

IT WAS WITHOUT DOUBT Mr. Anthony Wedgwood Benn's vision of a socialist future that appealed to Labour's rank and file at the Brighton conference this week, rather than Mr. Callaghan's lacklustre defence of his Government's record and half-hearted attempt to block the Left. It was Mr. Benn's week and his tactical successes will ensure that he puts his remarkable energies towards swinging the party further Left in the coming year.

What the week confirmed was the ruthlessness with which Mr. Benn and his colleagues on the Left have set about changing the power structure of the Labour Party and the comparative ease with which they have out-manoeuvred the moderates. The right wing has only just begun to fight and they face an adroit opponent who believes he has history and time on his side.

Probably no man currently in politics with the possible exception of Mr. Enoch Powell engenders such violent reactions or attracts so many myths. He is greatly disliked and occasionally feared by the Right and on the establishment Left he is regarded as a menace and

Tony Benn
Believes he has history and time on his side

a potential vote loser on a gargantuan scale. But his supporters on the further Left are convinced he is the charismatic leader they have been seeking to rebuild the Labour Party after what they see as the abject failure of the mixed economy.

He had been out of step with the majority of his colleagues in the Labour Government for some years before the last election and his decision not to resign left him open to the charge of opportunism. The first big divergence from the leadership came over the Common Market where Mr. Benn was largely responsible for introducing the referendum on British membership. He led the anti-European crusade indefatigably but the result was a heavy defeat. This enabled Harold Wilson to shift him from the Department of Industry where he was a good administrator, but where his interventionist policies particularly the setting up of co-operatives were becoming an increasing embarrassment.

To achieve his goals he has planned his campaign with a ruthlessness that can only impress. Unlike some senior figures in the Labour Party he understands how the party works and has exploited its complex power processes with the aid of a group of close associates on the NEC.

He has developed a strong party base—he has come top of the constituency section in the NEC elections for several years—but he continues to have two weaknesses that will probably lead to a failure to reach his ultimate ambition of party leader.

First, his supporters in Parliament where the decision on the next leader will continue to be taken at present are committed but small in number. The Tribune Group is now down to around 65 and he has only a handful of supporters outside.

Second and even more important he has very few supporters among the trade union barons. They want to see a united Labour Party poised to regain power from Mrs. Thatcher at the next election and they do not believe Mr. Benn would be the man to achieve it.

Nevertheless, by adroitly rallying his forces around the theme of "democracy" rather than "socialism" he has built up more effective alliances than his opponents expected. He has also exposed the Labour Right's ideological poverty and prepared the ground for a further shift to the Left by next year's party conference.

Muzorewa accepts draft constitution

BY BRIDGET BLOOM AND MARTIN DICKSON

BRITAIN'S DRAFT constitution for Zimbabwe has been accepted by the Salisbury delegation to the Lancaster House Conference.

In an announcement surprising only in its timing, Bishop Muzorewa told a news conference last night that the British plan "accords with our own views as providing for genuine majority rule."

He also announced an important concession by the Salisbury delegation—its formal agreement to a fresh round of pre-independence elections under British supervision.

But Bishop Muzorewa said his acceptance of the constitution was subject to "suitable and satisfactory" arrangements being agreed to it into effect. He repeated his earlier demand, already rejected by the British Government, that Britain should now "meet its legal and moral obligation" by lifting sanctions immediately.

Since the Salisbury delegation accepted the outline British proposals two weeks ago, its agreement now to the extended document, which was presented by Lord Carrington, the Foreign Secretary, last Wednesday, is not surprising.

Lord Carrington had given the Salisbury and the Patriotic Front delegations until Monday to reply. There was speculation last night that Bishop Muzorewa announced acceptance two days early, in part to head off opposition from Mr. Ian Smith's Rhodesian Front.

Mr. Smith is returning to Salisbury this weekend, where he is expected to meet Rhodesian Front MPs, several of whom have publicly criticised the British plan.

Mr. Smith apparently remains opposed to the proposals. At the end of his prepared statement, Bishop Muzurewa said the British document had been supported in a secret ballot by all but one of the 12 senior members of his delegation.

A spokesman for Lord Carrington last night welcomed the Bishop's acceptance of the constitution as "a major step forward." He said the Foreign Secretary looked forward to receiving the response of the Patriotic Front. iBshop Muzorewa's move increases the pressure on te guirrilla alliance to agree to the British proposals, even though it has expressed strong opposition to several key aspects of the document.

The feeling was growing last night that the Front would eventually accept the British plan, albeit grudgingly, and with qualifications. This would then allow the conference to move on to discuss pre-independence transitional arrangements.

But it was far from certain last night that sufficient progress would have been made by Wednesday, the day of the Conservative Party Conference debate on Rhodesia, to allow Lord Carrington to stop back-bench demands for the lifting of sanctions and recognition of the Muzorewa Government.

Unions force delay in fuelling French nuclear power stations

BY TERRY DODSWORTH IN PARIS

THE FRENCH Electricity Generating Board (EDF) was forced to back down yesterday on its plans to fuel two of France's new nuclear power stations because of vigorous trade union insistence on further safety checks.

The EDF said last night that it had changed its programme for the two plants at Gravelines, near Dunkirk, and Tricastin, in the south-east, so that further tests could be carried out. Its decision comes after a fortnight of mounting opposition from unions, culminating in strikes to prevent loading the stations with enriched uranium.

Following the change in the EDF's position, the unions at Tricastin were expected to return to work last night. Further meetings were being planned at Gravelines.

But considerable differences still remain on both sides. The unions—the Communist-led CGT and the Left-wing CFDT—argue that the surface cracks found in critical steel alloy components in the stations will take a considerable time to examine fully. The EDF says it expects to be able to start fuelling the reactors in about a fortnight.

The main difficulty is over the widely different judgments which the EDF and the unions have made on the importance of the cracks. Both parties admit that they exist, and new manufacturing methods have been instituted to eliminate them.

But the EDF insists that they are so small—7mm wide by 7mm deep in material up to 30cm thick—that they present no immediate safety problem. It is believed that they exist in stations already operating, and the EDF is confident that it can develop machinery both to examine and repair them if necessary by remote control.

Some of the union officials, on the other hand, say that more thorough testing is required to determine the seriousness of the faults. Such procedures would mean delaying the fuelling programme at least until mid-December, they say.

Meanwhile, the affair is beginning to take on a political dimension. The Parliamentary Socialist Party is demanding a commission of inquiry, and M. Andre Giraud, Industry Minister, will meet a Parliamentary committee to explain his Ministry's position next week.

Equal pensions case for European Court

BY CHRISTIAN TYLER, LABOUR EDITOR

THE EUROPEAN COURT in Luxembourg is being asked to decide whether different treatment of men's and women's pensions in the UK is a breach of the Treaty of Rome.

A case brought by two women formerly employed by Lloyds Bank was referred to the European Court by Lord Denning, Master of the Rolls, in the Appeal Court yesterday.

Their test case, backed by the Equal Opportunities Comission, could affect about 14,000 young women employed by Lloyds and the pension rights of many other women.

It is the second time that the Court of Appeal has asked Luxembourg for an equal pay ruling. In July, the court heard from a former stockroom manageress in Wembley, Middlesex, who complained that she was paid £10 a week less than the man who held the job before her.

The most celebrated case of this type, which was held to have European-wide implications, was brought by a Belgian air-hostess some years ago.

Lloyds Bank is seeking to reverse a ruling by the Employment Appeal Tribunal that its pension arrangements for women under 25 are in breach of the Equal Pay Act.

Lord Denning said in his reserved judgment yesterday that the two women had a "fair chance" of success in terms of the EEC Treaty of Rome, but the point was so unclear that it merited a European Court ruling first.

The court was told yesterday that men under 25 at Lloyds were paid 5 per cent more than women. The 5 per cent was then deducted as their contribution to the bank's occupational pension scheme. Women of under 25 received 5 per cent less salary and made no contribution.

Continued from Page 1

Engineering pact

BL management will look at the effects that the dispute might have on its investment programme, although its Mini Metro launch is still expected to be on time next October. Sir Michael Edwardes claimed last month that BL had lost £20m profits because of the dispute, and the figure could now be as high as £50m.

Rolls-Royce, which laid off 30,000 manual workers because of the dispute, held meetings on resumption of production with shop stewards yesterday.

KEEP

Many smaller companies were more critical of both sides in the dispute. Although they had strongly backed the EEF, they viewed the terms of the settlement as giving little to the employers, who have lost heavily as a result of the dispute.

One employer said it had showed "a lack of negotiating skill and imagination" on both sides. He predicted that "hundreds" would resign from the EEF in the coming months.

Bennie Lifts, a small company employing about 470, voiced the thoughts of such companies when it said it thought the EEF had given away too much, but added it will remain in the federation because "it is the only organisation which is powerful enough to proect us."

Continued from Page 1

Ministers pledged

thing of substance" on the design of the proposed substitution account by the interim committee meeting of finance ministers in Hamburg next April.

The substitution account would be designed to allow central banks to deposit excess dollar reserves with the IMF and to receive assets denominated in Special Drawing Rights in exchange. This would reduce their need to sell those dollars in the foreign exchange market.

In his concluding remarks, Mr. Robert McNamara, President of the World Bank, renewed his call for approval by member governments by November 15, at the very latest for the increase in its general capital in order to maintain current lending.

Display of unity ends Labour conference

By Philip Rawstorne

THE LABOUR Party Conference ended yesterday in a public display of unity, as party leaders on the platform joined in singing the Red Flag.

But the struggle between Mr. James Callaghan and the Left for control of the party will continue fiercely throughout the year.

Mr. Frank Allaun, the party chairman, assured the Left yesterday that its major gains on the party manifesto and the reselection of MPs would not be surrendered. "The National Executive are our custodians and will ensure that these policies are carried out," he said.

But Labour's Right-wing and moderates were yesterday rallying their supporters to renew the fight to reverse the decisions through the forthcoming party inquiry.

Mr. Allaun, in his concluding speech, said it had been an "historic" conference.

"There is no blood on the floor, no comrades with knives in their backs, no fratricide, no split in the party. On the contrary, we are stronger, rather than weaker."

The party was united in its opposition to the whole range of Conservative Government policies.

Mr. Allaun gave a warning that the party would adhere firmly to its policy of renationalising without compensation any public assets sold by the Government.

Speculators would have only themselves to blame if their fingers were burned.

He told delegates that the political prospects were good for Labour.

The Government was pursuing policies that raised dangers of a third world war. It was headed by "war hawks."

He was not suggesting they wanted war, but they were engaged in an anti-Russian "brain-washing propaganda campaign" and defence and foreign policies which carried great risks.

"The threat to the people of this country comes not from Russia but from the arms race itself," Mr. Allaun added.

Conference report Page 4

PLO now ready for Lebanon ceasefire

By Anthony McDermott

THE PALESTINE Liberation Organisation, in a move aimed at opening talks with the U.S. Government, has said clearly that it will now support the ceasefire in South Lebanon, called at the beginning of last month by the UN forces.

A ceasefire in Lebanon could pave the way for a U.S.-backed conference on Lebanon. The U.S. has suggested that both the PLO and Israel as well as other parties in the conflict should take part.

The announcement by a PLO spokesman came after talks on Thursday night in Beirut between Mr. Yasser Arafat, the PLO chairman, and the Rev. Jesse Jackson, the American black leader whose five-nation tour of the area has included talks with the presidents of Egypt and Syria. He flew back to the U.S. yesterday.

It remains to be seen whether Mr. Arafat can control the numerous Palestinian factions in South Lebanon. In an interview published in Kuwait yesterday, a spokesman for the Marxist Popular Front for the Liberation of Palestine, a leading group opposed to a settlement with Israel, rejected the ceasefire.

In Washington, U.S. officials welcomed the announcement, but expressed scepticism as to whether the ceasefire would hold.

The PLO statement also made it clear that not all guerrilla operations against Israel would stop, and that warfare inside the Israeli-occupied West Bank and Gaza Strip and inside Israel itself would continue.

However, the statement is part of a successful policy aimed at wider diplomatic recognition. In July, Mr. Arafat was received in Austria, and last month in Spain. The EEC for the first time has officially referred to the PLO by name at the UN.

Yesterday, Mr. Arafat had talks in Ankara with Mr. Bulent Ecevit, the Turkish Prime Minister. Turkey is the first NATO country to recognise the PLO.

Israel's reaction yesterday was cautious. The ceasefire statement was welcomed, but officials said that previous PLO-announced ceasefires had failed. An Israeli Foreign Ministry official said that even if the PLO stopped its military operations, Israel would still refuse to regard it as a negotiating partner. A military spokesman added: "Our policy is to strike at the terrorists, and that has not changed."

Weather

UK TODAY

DRY, bright in east, rain in west.

London, S.E., N.E. England, E. England, E. Midlands
Cloudy, rain later. Max 16C (61F).

Cen. Southern England, E. Midlands, Channel Is.
Rain. Brighter later. Max 16C (61F).

S.W. England, Wales, N. Ireland
Rain. Brighter later. Max 16C (61F).

N.W., England, Lakes, Isle of Man, N.W. Scotland
Rain. Hill fog later. Max 15C (59F).

Shetland
Dry. Sunny intervals. Max 11C (52F).

Rest of Scotland
Cloudy. Rain later. Max 14C (57F).

Outlook: Unsettled.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	17	63	L. Plms.	F	24	75
Algiers	C	25	77	London	S	17	63
Amsdm.	R	14	57	Lisbon	R	16	61
Athens	S	22	72	Luxmbg.	C	15	59
Bahrain	S	30	91	Madrid	F	20	68
Belfast	S	21	70	Majorca	C	23	73
Belgrd.	S	21	70	Malta	F	25	77
Berlin	C	10	50	M'chstr.	F	13	55
Biarritz	F	20	68	Melbne.	R	15	59
Bmghm.	S	14	57	Milan	R	14	57
Blackpl.	S	14	57	Mntreal.	C	16	61
Bordx.	F	16	61	Moscow	C	3	37
Boulgn.	C	14	57	Munich	F	14	57
Brussels	F	14	57	Nairobi	R	22	72
Budpst.	F	15	59	Naples	F	21	70
B. Aires	C	13	55	Nwcstl.	F	11	52
Cairo	S	32	95	N. York	C	22	72
Cardiff	F	18	64	Nice	F	19	66
Cas'b'ca	R	23	73	Oslo	S	9	48
Cape T.	S	19	65	Paris	C	15	59
Chicago	C	10	50	Perth	R	17	64
Cpnhgn.	C	10	50	Prague	F	14	57
Corfu	S	23	73	Rio J'o	C	30	86
Dublin	F	13	55	Rome	C	22	72
Dbrvnk.	F	20	68	Singapr.	F	27	85
Ednbgh.	C	11	52	Stckhm.	C	7	45
Florence	C	20	68	Strasbg.	C	16	61
Frankft.	C	18	64	Sydney	R	19	66
Geneva	R	13	55	Tangier	C	20	68
Gibrltr.	C	21	70	Tel Aviv	C	21	70
Glasgow	F	13	55	Tenerife	F	24	75
G'rnsey	S	14	57	Tokyo	C	24	75
Helsinki	S	7	45	Toronto	C	12	54
H. Kong	S	29	78	Tunis	F	28	82
Innsbrk.	C	19	66	Venice	C	14	57
I.o.Man	S	13	55	Vienna	F	14	57
Jersey	S	15	59	Warsaw	S	11	52
Jo'burg	S	25	79	Zurich	F	17	63

C—Cloudy. F—Fair. R—Rain. S—Sunny.

THE LEX COLUMN

Riding the golden helter-skelter

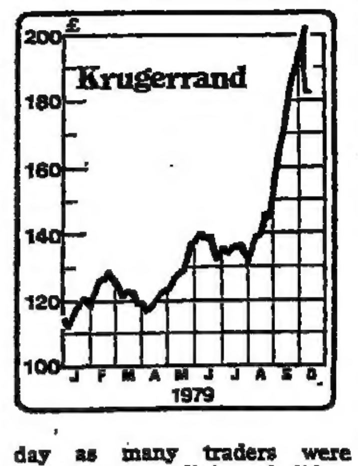
The gilt-edged market has presented a very solid appearance ahead of the next set of banking figures, due on Tuesday, and equities have made useful progress over the week. The All-Share Index has risen 2.2 per cent; after strengthening in mid-week on hints of an end to the engineering dispute, it held its ground even though the terms that emerged appeared on balance unfavourable to the employers.

Clearly the market does not believe either that the settlement will push the national average for the wage round up towards 20 per cent, or that the employers' concessions spell ruin for the engineering industry. In equities, as in gilt-edged, the institutions have been markedly reluctant to sell the stock which they have been accumulating over the summer.

Equity funds have not been such avid buyers as investors in gilt-edged, and with a round of increased dividend payments—including the Shell backlog—cash has been piling up. The Government was once generally expected to offer £750m worth of BP stock for sale: now most analysts are expecting barely half this amount to be put on the market. And the shortage of supply from this source is compounded by the drying up of the stream of rights issues. In the second quarter of the year issues totalling nearly £450m were announced, but the third quarter, despite very steady market conditions, saw little over £60m.

It is paradoxical that companies are unwilling to come to the market for new equity at a time when many of them must be anxious to have some pressure taken off their balance sheets. It would certainly be awkward to draw up prospectuses at the moment, but 1980 may bring some hefty recapitalisations, if conditions are at all favourable.

Index fell 1.0 to 480.4



Gold

Back in August a few brave souls stuck their necks out and hinted that the gold price just might touch $350 per oz sometime during 1979. This week the price of gold touched $446 and then fell back to a low point early yesterday morning of around $360, before closing at $387.5.

It has certainly not been a market for widows and orphans. Fortunes have probably been made and lost over the past week. The price, which had already risen by over $80 in the previous month, started the week at just under $400 but by lunchtime on Monday it had broken through this psychological level and clsed at $4.14¼. The New York commodity markets were rather quiet on Monday as many traders were observing a religious holiday, but by Tuesday morning the buyers were once again on the move and gold was priced at $437 per oz at the London fix in the morning.

A couple of hours later it came close to touching $450 but this marked its peak. The afternoon gold fixing proved the longest anyone can remember, at 100 minutes, and by the close of business it was back below the $400 level. This triggered off some panic selling and, led by the U.S. futures markets, the price dropped sharply. However, to many people's surprise it started to rally yesterday morning and after a near $90 swing during the week, was finally quoted just $10.5 lower than the previous Friday's close.

While attention has been focused on movements in the bullion markets, events in related financial markets have been no less spectacular. The Krugerrand which had hovered below £140 until mid-August shot above £200 at one stage this week before closing at £181¾.

Similarly gold shares, which had lagged behind the rise in the bullion price for much of the year, sprang to life in late September. The FT Gold Mines Index (cum-$ premium) jumped by 24 per cent in the seven trading days up to last Tuesday which compares with a 15 per cent rise in the bullion price. Suddenly the small punters began to appear out of the woodwork. A couple of days later virtually the entire 24 per cent rise in the FT Mines index had disappeared.

No one can remember a period quite like it in the history of the gold price and the sharp gyrations in values have provided a worrying backdrop to this week's IMF jamboree in Belgrade. Admittedly, the dollar has been weak but the spectacular rise in the gold price really dates back to the last but one U.S. Treasury gold auction in mid-August, when Dresdner Bank scooped virtually the lot. On the eve of that auction the price was just below $300. Last night it was standing nearly a third higher.

In previous periods the rise in the gold price has been associated with pronounced weakness in the dollar. In terms of hard currencies gold has hardly budged. This year, however, the gold price in both Swiss Franc and Deutsche Mark terms has risen by two-thirds.

With the U.S. banks shut on Monday for Columbus Day, the gold market is nervously waiting to see whether the Americans will launch another support package for the dollar over the long weekend. This could hurt the price but over the longer term the sharp rise in the price reflects worldwide unease about the stability of paper currencies generally. Only when this disappears will the limelight switch away from the unpredictable movements in the price of the yellow metal.

GEC/Averys

Averys has produced its major defence document against the 245p a share cash bid from GEC, and incorporates its half-time statement showing a rise in pre-tax profits from £6.1m to just under £7.2m. Margins have actually widened a little in the first six months, despite the road haulage dispute and the strength of sterling: the main plus factor has been the increase in production capacity for the model 1750 electronic retail scale, with output being stepped up from 10,000 to 15,000 units at an annual rate.

Since June some erosion of margins has taken place, and recently, of course, Averys has suffered disruption on the manufacturing side because of the engineering dispute (though this has not affected the important servicing side which accounts for getting on for half of the business). So there is no specific profit indication for the full year, and no dividend forecast either, though the interim is stepped up sharply to 4p a share. On the basis of the historical payment pattern that could indicate a final of around 8p and a yield at 252p of 6.9 per cent.

In response to GEC's criticism of Avery's somewhat artificially low tax rate, thanks to leasing deals involving other manufacturers' equipment, Averys—which claims earnings of 15.6p a share for the first half after a tax change of just 20 per cent—replies that within two years more than half its leasing business will involve its own products. Shareholders can afford to let the arguments run on, and sit tight.

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